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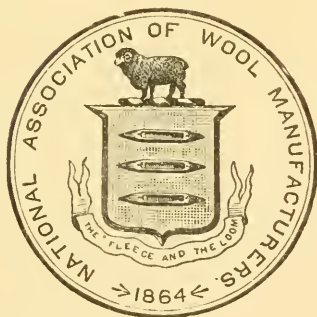
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BULLETIN
OF THE
National Association
OF
WOOL MANUFACTURERS,
1908.

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EDITED BY JOHN BRUCE McPHERSON, *Secretary.*



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BULLETIN

OF THE

National Association of Wool Manufacturers.

A QUARTERLY MAGAZINE

DEVOTED TO THE INTERESTS OF THE NATIONAL WOOL INDUSTRY.

VOL. XXXVIII.]

BOSTON, MARCH, 1908.

[No. I.]

THE GERMAN AGREEMENT AND ITS DEFENCE ¹ BY THE CHAIRMAN OF THE COMMISSION TO GERMANY.

AN EXAMINATION OF SOME POINTS INVOLVED.

IN an annual report made to the National Association of Wool Manufacturers one year ago in noting the sending to Germany by the President of a Commission, consisting of the Hon. S. N. D. North, N. I. Stone, "Tariff Expert of the Department of Commerce and Labor," and James L. Gerry, Chief of the Customs Division of the Treasury Department, the writer said: "The Commission was not sent abroad to conclude a bargain or to make promises, but after investigation and consultation to make a report of the differences and the demands. The hope of the State Department is said to be that the American commissioners may 'be able to recommend some change in existing methods of administration of the Dingley act where it bears hardest upon German exporters.'"

THAT STATEMENT SUPPORTED BY THE PRESIDENT'S
MESSAGE.

That the object of the Commission's appointment, as there set forth, was correct is shown by the President's message to Congress, wherein he says: "This Commission was engaged

¹ Bulletin for September, 1907, pp. 267 and 273.

for several months in conference with a similar Commission appointed by the German government, under instructions, as far as practicable, to reach a common understanding as to all the facts regarding the tariffs of the United States and Germany material and relevant to the trade relations between the two countries.”¹

This Commission not only made “an investigation,” but actually concluded a bargain or agreement. Not only did they negotiate a temporary agreement, but they brought back with them a tentative draft of a permanent reciprocity treaty, Chairman North, in his defence of this temporary agreement, stating that Germany had granted the “Provisorium” extending her conventional tariff to our exports to her until July 1, 1907, “in the belief and on the understanding that this extension would lead to the negotiation of a treaty of reciprocity which would place the commercial relations of the two nations on a permanent and equitable basis.” Who, it may be asked, had the authority to make such a promise? The President could promise that a treaty would be negotiated, but he could not assure the Germans that it would be ratified by the Senate; and the mere negotiation, without that ratification, could not place “the commercial relations of the two nations on a permanent basis.” Or can it be that this treaty was to become effective without the consent of the Senate?

It is not our purpose to go over in detail the various provisions of this compact and present arguments against them, but rather to sketch the several steps taken in reaching the agreement (which, more than any other event of the year, except the financial flurry, has disturbed the manufacturing and direct importing interests of the country), and glance at some of the reasons in justification of it advanced by the chairman of the Commission, who was charged, apparently, by the Administration to try to allay the fears of the interests alarmed, by explaining how much to the advantage of all will be the concessions so magnanimously granted by the German government! In our opinion, the points empha-

¹ Annual message to Congress, p. 60.

sized by the Chairman are not so important as some left untouched, and these we shall also notice.

THE ACTION WAS HASTY AND SECRET.

First, let us trace the steps taken in the consummation of this agreement. The Commissioners sailed in December, 1906, its announced purpose being as above set forth. Some time late in February they returned with a report which was kept so secret by the State Department that efforts, as late as April 10, 1907, to get a copy of the agreement, failed, the Acting Secretary of State writing April 26 that "the preliminary schedules in question are not yet perfected and any statement by the Department as to what is offered by Germany or expected of her by the United States as compensating favors would be premature and might be misleading." At that date the agreement had been already signed at Washington by Secretary Root, although the German Ambassador's signature was not attached to the document until May 2. Under date of April 4 the "projet of a commercial agreement with Germany" together "with drafts of notes proposed to be exchanged" was transmitted by the Secretary of State to Secretary Cortelyou of the Treasury, who, without training or preparation, had come, within a month, to the discharge of his new and perplexing duties. April 9, 1907, the new Secretary of the Treasury wrote to the Secretary of State that "the proposed modifications of the consular and customs regulations will, in my opinion, conduce to the proper administration of the law in cases where the ordinary procedure as embodied in present regulations is inadequate." Then he added, "After careful consideration of the matter" (he had not had the papers more than four days) "I am led to the conclusion that the negotiation of the proposed commercial agreement would promote friendly relations and otherwise be of benefit to this country."

SECRECY IN THIS COUNTRY: CANDOR IN GEMANY.

Whether the trade made with Germany was to the advantage of that country, or to ours, as it has been declared to

be, one cannot help being struck by the secrecy with which the proceedings were conducted in this Republic and the openness and evident candor with which they were conducted in the Empire. In the United States no consultation was held with any body of merchants or manufacturers, so far as we have heard, before the agreement was drawn and signed. In Germany, on the contrary, the agreement was first submitted to the German Economic Association, an organization of industrial producers, and only after its endorsement was it transmitted to the Reichstag for consideration and confirmation. But that is not the only difference in the methods followed by the two governments, some provisions of this agreement being inserted against the advice of the best experts of this country, by men, most of whom had but little first-hand knowledge of the every-day workings of the custom house and its practices.

THERE HAS BEEN MISAPPREHENSION ABOUT OPEN HEARINGS.

We are free to acknowledge that there has been considerable misapprehension respecting the provision in the agreement concerning open hearings in re-appraisement proceedings. To us there seems to be but slight difference between the concessions made by Secretary Shaw in 1906, when he modified the regulations so that the General Appraisers were given the privilege "to grant open hearings whenever it could be done without prejudicing the Government,"¹ and the stipulation in the agreement which provides that in "re-appraisement cases the hearing shall be open and in the presence of the importer or his attorney, unless the Board of Appraisers shall certify to the Secretary of the Treasury that the public interest will suffer thereby;" and in that case a summary of the facts developed at the closed hearing upon which the re-appraisement is based is to be furnished to the importer. The latter seems to contemplate that all re-appraisement hearings shall be open unless the certificate

¹ See Hearings before Ways and Means Committee, 1906, p. 28.

shall be filed. While under the rule as modified by Secretary Shaw, the hearings were to be open only when, in the opinion of the General Appraisers, they could be so held "without prejudicing the Government."

When Mr. North attacked the closed hearing, designating it as "the American star chamber proceeding," and wrote, "Now that this closed hearing *has been done away with*, I do not believe that it will ever again be heard of in our customs administration," his explanation, instead of clarifying the situation, deepened the misunderstanding and intensified the alarm he hoped to allay, the language of the agreement not justifying so sweeping a statement, nor furnishing the slightest basis for it.

RESPECTING CLOSED HEARINGS.

But let us examine his "explanation" of the agreement intended to allay "some apprehension regarding the details" and to correct an "unfounded prejudice against it."

Respecting the open or closed hearing he correctly says it "is wholly a matter of regulation within the control of the Secretary of the Treasury, the law itself being silent upon the subject." Then he launches forth in praise of the open hearing, declaring that after a year's trial it "has proved a complete success;" that "the Government has had no difficulty in obtaining expert evidence, given under the sanctity of an oath. None of the dire consequences so freely predicted have been realized. On the contrary the open hearing has proved an effective aid to the Government as a guard against undervaluation." Like importer Downing and attorney Wickham Smith, he assures those laboring under misapprehension that "the merchant who desires and expects to remain in the importing business is going to be more careful about invoices when he knows that the evidence of undervaluation is to become a part of the public record."

IS THE OPEN HEARING PRODUCING THE RESULT MR. NORTH DESCRIBES?

Who has benefitted by the open hearings? *Has* the Government had no difficulty in obtaining expert evidence? and

has the open hearing been "an effective aid to the Government as a guard against undervaluation"? A prominent customs attorney, who has been urging all kinds of alterations and modifications in the law, recently said, "The open hearings prescribed by the reciprocal tariff agreement with Germany have, in the main, been successful and meet with the approval of my clients, most of whom are prominent German exporters and their American representatives." After entering a strong protest against the taking of any *ex parte* testimony as being contrary to the letter and spirit of the German agreement, he said, "In instances where there have been 'real' open hearings the results have, in the main, been *beneficial* to the foreign exporter and his connection in this country." Respecting *ex parte* testimony, he continued: "Its taking is not contemplated by the German agreement and its practice is vicious and full of danger to the honest (?) foreign exporter, and I sincerely trust that in the new treaty to be made with Germany there will be a cast-iron agreement that all hearings under whatever circumstances the case may be shall be free and open, and that no testimony shall be considered that is not given in the presence of the importer and his legal or other representatives." Given an inch they now demand an ell, and all in the interests of the honest foreign exporter and the revenues of this Government. The kind of open hearings now granted, he confesses, "have been beneficial to the foreign exporter and his connection in this country and they meet with the approval of his clients, "most of whom are German exporters and their American representatives."

ON BOTH SIDES OF THE QUESTION.

Mr. North now "dubs" the closed hearing "the American star chamber proceeding," having "no other defence than the one calmly advanced whenever the system was criticised, viz.: that unless people are permitted to *secretly* testify against their neighbors and rivals they won't testify at all."

Were we so disposed we could quote from his reports to this Association in which he wrote enthusiastically of

the almost perfect basis to which the customs administrative law had been brought by the amendments of 1897, and also those in which he graphically described the losses suffered by the American manufacturers and honest purchasing importers from the laxer previous laws. But it is not necessary to go so far back to find his opinion respecting open hearings. About a year previous to his return from Berlin, when the Committee on Ways and Means was giving hearings on proposed amendments to the customs administrative law, seeking light and information from various sources, Mr. North, who had severed his connection with this Association several years before to become Director of the Census, was quoted by Secretary Shaw as then being "absolutely against open hearings."¹ The query is, which view of the open hearing is to be accepted and which rejected?

TESTIMONY AGAINST OPEN HEARINGS.

But laying aside these contradictory views, as well as the question of the advisability or inadvisability of open hearings, the fact remains that not only Secretary Shaw, but seven of the nine General Appraisers went on record against open hearings, and one of those two favored them simply as an experiment for six months, recognizing the fact that it would be dangerous. Even he "was opposed to any legislation looking to open hearings because" he "thought it was too risky an experiment." The president of the Board of General Appraisers gave it as his opinion that "if we had open hearings we would never get through the volume of cases,"² while another member of the board said: "If they (the hearings) were conducted openly, the ability of the Board to procure evidence would be destroyed and all re-appraisements fail. It is due to the fact that the secrets of tradespeople are guarded that the board is enabled to get evidence. Frequently an importer's own witnesses will

¹ See Hearings before Committee on Ways and Means, House of Rep., 59th Congress, 1st Session, p. 19.

² Ditto, p. 36.

request that their testimony be taken privately, preferring that the information imparted be sacredly kept from competitors. The class of evidence sufficient to establish market value will be wholly improper and insufficient in a trial at law, and if the rule prevailing in the latter were necessary the Government would be wholly prevented from collecting its revenue.”¹

On this question the Supreme Court years ago recorded its opinion as follows :

It is due to the merchants and others who give such information that their statements shall be taken in the presence of official persons only. It must often occur that persons in possession of facts which would be of value to the appraisers in determining market value would be deterred from appearing and testifying by publicity given to re-appraisement proceedings.

Such was some of the testimony of men having actual experience with the workings of the administrative law, and such the opinion of the Supreme Court; yet this Commission (composed of three men), with the Secretary of State and the President, whose combined practical experience cannot be compared with that of the General Appraisers, calmly ignore these opinions and as calmly proceed to denounce the law and the regulations which embody the experience of years in the battle to prevent frauds on the federal revenue. Compare the Chairman's sweeping statement with the following, made after several months of experience with the open hearings, by the General Appraisers' chairman, who says :

Witnesses deemed material by the Government in establishing proper market value have declined absolutely to appear before the board in open session and give their testimony, on the ground that important trade secrets and other information which is considered undesirable to give competitors would be brought out on cross-examination by the protestant's attorney. So acute has this situation become during the last five months that in some instances the board has

¹ See Hearings before Committee on Ways and Means, House of Rep., 59th Congress, 1st Session, p. 47.

been obliged to ask material witnesses for the Government to submit their testimony in writing. This testimony has been shown to the importer and his attorney in specific cases, but with the identity of the informant cut from the letter heads on which the testimony was written. Only in this way was it possible to obtain the desired information. On other occasions so strong has been the aversion of importers and domestic manufacturers and their representatives to appear at "open hearings" that the Government has been obliged to go without testimony of any kind, thereby practically permitting the case to go by default in favor of the importer whose goods were under consideration.

Chairman North scoffs at the idea that witnesses will refuse to testify unless permitted to do so privately, being deterred by the fear that trade secrets of importance will be drawn from them on cross-examination; but when the Germans demanded that Section 8 of the law should be modified by new regulations, he joined his fellow commissioners in writing in their report that "the statements of cost required by the act require the expenditure of a great deal of time and energy on the part of German importers; they contemplate the divulgence of trade secrets of the utmost importance and value to the manufacturer, and they are only of importance to the appraisers of merchandise. We therefore agreed to recommend that the Consular Regulations be so amended that the statements . . . need not be exacted except upon the request of the appraiser of the port after entry of the goods."¹

Great consideration is shown for the German exporters who have to expend "much time and energy in the preparation of statements of cost, which contemplate the divulgence of trade secrets." But when witnesses are needed in this country to make out a case for the government, they must testify at open hearings, although by their testimony they may be obliged to divulge trade secrets of the "utmost importance" to them. Where does the consistency of this concession come in? It is beyond our ken, and must be credited as one of those advantages, which are so many,

¹ See message of the President to Congress, Jan. 22, 1908, p. 28.

we are told, but which have not yet been discovered by those who have studied the terms of this agreement.

Another member of the board, who believes in liberality in the administration of customs, after his experience since July last, says :

I believe that open hearings will never be an absolute success, although in some circumstances they may be practicable. The truth seems to be that where little or no competition exists between foreign goods and American productions open hearings may be had with considerable success, but that in cases where commercial rivalry between the United States and the foreign country is concerned the open hearings fall to the ground.

The writer does not pretend to say who is right in this matter, the Chairman of the Commission to Germany or the men who see the workings of the new regulations at close range. We simply record the facts.

The President, in his last annual message to Congress, joins in the clamor against the administration of the law, saying, "Under our practice as I found it to exist in this case the abuse had become gross and discreditable." Yet at a time when the German agents and their sympathizers and all enemies of the protective tariff were leaving no stone unturned to secure the concessions for which they had striven for years, it is rather remarkable, if the abuses under the law had become "gross and discreditable," as the President says; or the conditions had become "intolerable," as Mr. Smith described them, that not a single purchasing importer appeared in person before the Ways and Means Committee to enter a vigorous and indignant protest against these abuses and conditions. It is true that many merchants signed the petition approving the amendments suggested by the New York Merchants' Association; but of the New York merchants favoring them Secretary Shaw said that at least "two-thirds were engaged in the consignment business."¹ At the same time he quoted the representative of Marshall Field & Co.²

¹ Ways and Means Hearings, 1906, p. 20.

² Ditto, p. 29.

as telling him that "they" (the firm) "had no more fears of the penalties of the customs law than they had fear of the penalties against murder or arson."

Cannot the gentlemen responsible for the agreement be fairly likened to a man who, ill almost to death, seeks an eminent physician or surgeon and refuses to take his advice? or of a client, who, in serious legal difficulties, employs a skilful attorney and refuses to follow his counsel?

A CASE OF MISCONCEPTION.

Mr. North inveighs further against the closed hearing in re-appraisement cases, declaring that "a man may be deprived of his property and goods without due process of law, as that phrase has come to be otherwise universally understood in this country: *i.e.*, without the privilege of knowing on whose evidence he is . . . penalized, or what the character of that evidence is and without the right of cross-examination."

He has great horror of admitting any evidence without giving the importer the right of cross-examination; yet he and his fellow commissioners agree that certificates of German chambers of commerce are to be admitted as competent evidence, although no chance to cross-examine the officials who sign the certificates can ever be obtained for those who protest against the value put upon the importation for which the certificate may be given.

Evidently, he has read with close attention the argument (put in the form of questions) by Mr. Cockran in the hearing before the Ways and Means Committee. Apparently he was greatly impressed thereby, for he has adopted the phrase of that voluble, gifted man. Yet he has qualified Mr. Cockran's use of the constitutional phrase "without due process of law" and construed its meaning in a way not contemplated by the expounders of that document. He cannot be very familiar with the methods of appraising values of real estate or he would not have assumed the untenable position of demanding that the right of cross-examination should be given importers in cases where a

valuation is made of the importation. Let us repeat what we have once said, that the appraisements are not a proceeding, judicial in character, where the officers sit as judges and render decisions according to the preponderance of testimony produced, but they are simply an ascertainment of value. In few, if any, States has the owner of real estate the right to be heard in the first instance when his property is assessed; nor has he the chance to present witnesses or cross-examine the assessor either then or on appeal. This summary method is adopted because otherwise it would be impossible for taxes to be levied and collected within a reasonable time. But in appraisement and re-appraisement cases the importer has the right to appear himself and produce witnesses, together with the right of appeal from the decision of the appraiser to one general appraiser and from his decision to a board of three General Appraisers, "a method," General Appraiser De Vries says¹ (if compared with the laws of any State in the Union or with the procedure in any other nation) "under which there are greater opportunities offered for the purposes of determining the taxable value of property than under any other."

THE SUPREME COURT HAS APPROVED OUR METHOD.

In a decision respecting the question of dutiable value of merchandise the Supreme Court has well said:

We are of opinion that under the statute the question of dutiable value of merchandise is not to be tried before the appraisers as if it were an issue in a judicial tribunal. Such is not the intention of the statute and the practice has been to the contrary from the earliest history of the Government. No government could collect its revenues or perform its necessary functions if the system contended for by the plaintiffs were to prevail.²

THE OBJECTING COUNTRY HAS AN ARBITRARY SYSTEM.

Secretary Shaw, in his testimony to the Ways and Means Committee, declared³ that in Europe (he was speaking of Germany and France)

¹ Ways and Means Hearings, p. 43.

² See Hearings before Ways and Means Committee, 1906, p. 29.

³ Ditto, p. 31.

they have no re-appraisement proceedings. It is a military system. A little company of soldiers with side arms stands on the dock. They look at your merchandise and do not tell you what it is worth, but mark what it is worth, pass it over to the cashier, and you pay it.

If you complain enough they will go inside, see a man there and talk with him. They come out, write their decision, pass it over, and that settles it. There is no appeal and there is no re-appraisement.

If this description of the procedure in the country objecting to our law and practice is correct (and we have no reason to question its accuracy), which follows the "star chamber" method and which the enlightened, liberal one?

WAS A TARIFF WAR LIKELY?

As a justification of this temporary agreement a studied effort has been made to alarm the American public by proclaiming that if it had not been concluded "the exports of American manufactured goods to Germany," as Mr. North states it, "would have been greatly reduced after July 1. This because on that date these exports would have become subject to the maximum duties which Germany universally applies to goods from all countries which fail to extend to her a corresponding equivalent for her minimum or conventional duties which are reserved for nations who consent to negotiate treaties carrying equivalent concessions or granting 'most favored nation' treatment."

The President, in his message to Congress, wrote: "Deeming it my duty to make every possible effort to prevent a tariff war between the United States and Germany . . . I sent to Berlin a commission."¹

Mr. North writes that "the German agreement was negotiated by Secretary Root with the cordial approval of President Roosevelt because they both believe that it will prevent a commercial war with Germany." The daily press was printing news items and editorials headed, "Our Last Chance with Germany," while a free-trade writer in the "Journal of

¹ See annual message to Congress, p. 59.

Political Economy," discussing "Reciprocity with Germany" in an article printed after the agreement was concluded, said, "it was plain that tariff warfare of unusual severity and extent was within the range of immediate possibility."

Was there real danger of tariff warfare "of unusual severity"? Before submitting some facts bearing on that question, let us quote a few extracts from a paper entitled, "The Tariff and the Export Trade of the United States,"¹ read before the American Academy of Political and Social Science in January, 1904.

There was much talk in Europe and some fear in this country of a combination against the United States among European countries, for retaliatory legislation for the exclusion of American-made products from these countries, on the ground that their own products are excluded from the United States by customs rates which are practically prohibitive in direct competition with American-made goods of the same general character.

Fear has been expressed that the United States will ultimately find the great manufacturing nations of the world united in trade leagues against us. I cannot share in this apprehension. . . . The whole course of the foreign commerce of the United States, under a protective tariff, justifies the conclusion that retaliatory legislation need not be feared, and that high duties on foreign products entering this country do not interfere, in any perceptible degree or measurable manner, with the outflow of American-made products. . . .

So far as our agricultural products are concerned, the question of the influence of the tariff upon the export trade in them is hardly worth considering. The world takes our foodstuffs, as much of them as we can spare ourselves, because *it cannot get along* without them. It takes our raw cotton because it has no other source of supply that can meet its demands, either in quantity or quality. It takes our meat products and lumber products because they are better and cheaper than it can get elsewhere.

CONDITIONS IN GERMANY DID NOT WARRANT A TARIFF WAR.

But it may be replied that Germany intended to apply her maximum rates to United States exports after July 1, 1907.

¹ Pages 1, 2, and 3 of pamphlet reprint.

Grant that there appeared to be some danger of her doing so, we answer by asking a question: Was she in a condition to take such action, and if taken, how long would she have continued that attitude? For an answer let us examine, for a moment, German conditions at the time of, or shortly after, the negotiation of this agreement.

In an article based on one contained in the semi-official "Continental Correspondence" treating of Germany's trade with America, the "Literary Digest" for October 26, 1907, says:

In its effort to gain tariff modifications from the United States the Berlin Government has been urged on by the German manufacturers, who want our tariff bars lowered so they can sell more goods here. The German Agrarians second this effort with the suggestion that if we do not capitulate, Germany should retaliate by raising its own tariff bars against American products. *This is just what it cannot very well do, however, for Germany must have our grain and meats, and to raise the tariff on these supplies, while enriching the Agrarian landowners, would be to raise the cost of living in Germany* — and that is what makes Socialists. So the Government is letting well enough alone, and assuring the tariff complainants that they are doing splendidly and don't need any help.

The tariff on imports into the United States imposed by law some ten years ago has not, according to "The Continental Correspondence," interfered in any way with the sale of German goods in the United States. Of the increase in the German importations into this country this organ remarks:

"In every respect the fiscal year ending in 1907 shows record figures. The value of German wares imported into the United States reached the amount of \$161,500,000, while Germany bought \$240,000,000 worth of American goods. That shows an excess of 50 per cent on the side of Germany's purchases and seems at the first glance very disadvantageous for the Fatherland. But we find that seven years ago this excess amounted to 90 per cent, and in 1898 even to 130 per cent of Germany's exports into the United States. In proportion at least the German balance of trade shows a considerable improvement. If we limit our attention to the increase in the last two years, we find even absolutely the same figures. Germany got in 1907 American goods of \$43,000,000 value more than 1905; and by the same amount

of \$43,000,000 we find the German imports into the United States higher in 1907 than in 1905. Now, if we go into details, we notice that among the American goods imported into Germany cotton is principally responsible for the increase. On account of the large demand of the German spinning mills and the higher prices, the United States increased their sales of raw cotton to Germany within two years by not less than \$34,000,000, so that the cotton imported into Germany accounts for 80 per cent of this very remarkable increase."

When we come to ask the proportion between the exports and imports of the United States and Germany, this writer tells us that while German exports to the United States are less than those of the United States to Germany in regard to raw materials, the contrary is the case when we calculate the interchange of manufactured articles. America exported to Germany \$90,600,000 worth of such goods for the year ending 1907, but imported from Germany manufactured goods to the amount of \$147,000,000.

Germany's era of prosperity, according to careful observers, was showing signs of waning; and if the conditions set forth in the following quotations were accurate, surely Germany was in no condition to engage in a tariff war with any country, much less the United States. The London "Standard," perhaps not a friendly authority, said of the German period of remarkable commercial prosperity:

The same unmistakable tendency toward a diminution of prosperity is noticeable in practically all the other German industries, which in the near future will be affected by the same wave of bad fortune. This termination of the unparalleled period of industrial success which Germany has now been enjoying for several years has long since been foreseen on the German bourses, so that capitalists whose money was invested in industrial undertakings have had time to make adequate preparations for the approaching depression.

Even German papers recognized the trend of affairs, as the following extract from the commercial columns of the "National Zeitung" (Berlin), printed during the very month when those threatened maximum duties were to be applied to American exports, will show. It said:

The period of great prosperity is at an end. The Düsseldorf Iron and Steel Exchange, by the laconic bulletin it has recently issued,¹ puts this fact beyond all doubt, and stamps with official authority all the forebodings as to an approaching decline in German industrial prosperity. The Düsseldorf Iron and Steel Exchange was the last quarter from which we should have looked for this frank avowal of its commercial decline. The reports hitherto issued have declared that the wave of industrial prosperity was permanent and the iron market was a fixed reality. But all concealment is now at an end. It is admitted, even by this authority, that the future is uncertain, and that the period of great prosperity, which has lasted for five years, comes to a close in 1907.

That these opinions were not without foundation is shown by a news item from Berlin under date of December 4, 1907, respecting the many immigrants returning from the United States and the alarm felt lest they would "entirely glut" the already overcrowded labor market in Germany. It said:

Labor organizations are greatly troubled over the prospect of an influx at a time when the question of employment is acutely difficult. Commodities, even the barest necessities, are rising to almost famine prices. It was stated at a meeting of the Municipal Council of Schoeneberg, a suburb of Berlin, last night, that there were 30,000 skilled and 35,000 unskilled workmen idle in Berlin alone. A proportionate number are idle in other industrial centers and in the farming regions. The trades unions have already been compelled to cut in half their doles to the unemployed. Similar conditions prevail in Austria, to which country more American emigrants have returned in a fortnight than departed. The prices of food are rising.¹

FRIENDS OF GERMANY AVER THERE WAS NO DANGER OF SUCH WAR.

Even if conditions had been better in Germany than as above described, it is plain from the following views that the

¹ The foregoing statements are enforced by the following item from a recent number of the London "Economist":

The signs of business decline in Germany are multiplying, and are growing visibly more serious. The most significant index to the situation, perhaps, is to be found in the report of the Steel Works Association for December, which was issued several days ago. It shows a surprisingly heavy shrinkage of business in steel material for further manufacture and in structural forms. A steady decline in the employment of labor is another most significant phenomenon of the day.

fear of a tariff war was much magnified if, in fact, there was any basis for it at all.

A commercial paper which loses no chance to attack the protective system and which has been the chief mouthpiece for German representatives and the German cause, in an editorial, said: "Neither the manufacturers of Germany nor their workmen could afford to dispense with the raw material and the foodstuffs which they have been accustomed to buy from the United States."

In a recent article Herr Max Goldberger, a Privy Councillor of the German Imperial Government, said: "Serious men in both countries *do not for a moment* think that Germany and the United States will wage industrial war upon each other. Germany and the United States must compete with each other in peaceful fashion, for each is an excellent customer of the other, whose trade, if withdrawn, would inflict immediate and serious injury."

If these maximum rates had been imposed July 1, as threatened, how long would they have been enforced in the face of such conditions? Even under normal conditions, Germany could not have afforded to take part in a tariff war with the United States, and we believe she had no intention of so doing.

GERMANY IS NOT A SELF-SUFFICING NATION.

Germany's population is increasing at the rate of one per cent a year, a rate exceeded by that of the United States only, the productive capacity of her agriculture being totally inadequate to supply her increasing needs. Nor can she secure sufficient foodstuffs from the several countries, with which she has concluded treaties of reciprocity, to fill her wants. Austria, Hungary, and Italy need their own products to maintain their population, and Russia, whence Germany has drawn heretofore a portion of her supplies, is in no condition to support her starving peasants and her industrial workers, much less to send increased exports to Germany to supply any deficiency in her crops, or decreased importations from the United States, if you please, granting

full weight to the extreme statements of those who regarded the imposition of the maximum duties to American products as imminent.

With the Empire unable to provide food for the rapidly increasing numbers of her artisans, save by importing supplies from this country; with the cost of living increasing at an alarming rate; with the industrial prosperity receding and the necessity of keeping the industries of the country in position to furnish work for these same artisans, were the extreme statements of those who professed a fear that Germany's maximum duties would be applied to American exports justified? Under the conditions existing, would a wise government (and we presume it will be conceded that the German government is wise) have taken the threatened step? And if taken, how long could the industrial captains have resisted the demand for higher wages which, in view of the greater cost of living, would surely have been made? How long, with the increased cost of production, could the manufacturers have enlarged the export of manufactures which must be sent abroad to pay for imports? The trade relations of the two countries have been examined so frequently and so analytically that it is unnecessary at this time for us to do more than remark that the exports of Germany to the United States are nearly all manufactures (which have been increasing under our present tariff and the customs administrative law, some portions of which have been so strenuously denounced by the President and Chairman North), while the exports of this country to Germany are nearly all raw materials for German manufactures, or food products, such as flour, corn meal, biscuits, oils, oleomargarine, and lard, classified by the census as products of manufacture. It is sufficient to ask whether Germany could have got along as well without our exports as we could without hers—in case worst had come to worst—and a tariff war had been declared, which few now think would have been done.

CERTIFICATES OF VALUE BY CHAMBERS OF COMMERCE.

Mr. North lays much emphasis on the great point gained by the American Commission when the Germans agreed that German chambers of commerce in the district where the goods originate shall grant certificates which will officially guarantee the correctness of the "export price" given in the invoice. These certificates are to be accepted as "competent" (not necessarily conclusive) evidence by the customs officers and the General Appraisers—a protection against individual fraud, which, he writes, "has never heretofore existed." It is hardly possible to think of the German exporter actually fighting for a chance to protect us against individual fraud and even urging the Government to go to the length of threatening a tariff war to gain that privilege.

HOW THE GERMAN EXPORTER VIEWS OUR LAWS AND PROCEDURE.

A different feeling on the part of the German exporter is shown by the following quotations from the speech made behind closed doors by the chairman of a commercial gathering in Berlin in October, 1905. These were all available to the Commission before their departure from this country on their mission. How kindly disposed this eminent person (Secretary Shaw vouched for his prominence) was to assist the United States officials to get correct values can easily be seen. Complaining of the administration of the tariff law "in which is concealed the power and purpose to make entry of certain competing articles as difficult as possible," he declared that "the United States Government agents resort to the meanest and smallest measures." Then, citing specified complaints, he said:

The first of these is the certification of the invoices by consular officers stationed in various districts of the Empire. Second, the investigation by customs officials as to the correctness of statements in the invoices which have not the force or effect of an oath in the German Empire. Third, the reëxamination in cases where there is reason to doubt values by agents of their Treasury department; and fourth, of the high penalties for undervaluation.

Treating of market value, he remarked :

Market value as defined under American law is the whole-sale price at the time of export, and our trouble lies in having two sets of prices, one for export and the other for home trade. We have to resort to a division of shipments under the so-called \$100 clause to keep our matters secret, save fees, and avoid control on *that* side.

In speaking of declarations in the invoices "compelling all sorts of statements as to how goods were obtained, . . . values in detail," etc., he continued :

These things all lead to abuses, and we are promised that the means of gaining information through American consuls and agents *will be shut off*. Our boards of trade are fully awake to the dangers that surround us, and in making every effort to *close the doors against this abuse* they are hoping for the whole support of the Government.

Experience has taught that the workings of paragraph 8 of the Dingley tariff has not fulfilled the purpose for which it was enacted but, on the contrary, the information gained under this regulation concerning costs of production has been so defective that in many cases it has been misleading, because through the *prudence of our officials* we have taken care that investigations of this character *shall throw little light* upon the actual value of their consignments.

In many cases trouble has been avoided by having invoices consulated remote from districts in which the goods are manufactured, but we must follow up this whole question as to the rights of consular or other officers to pry into our business . . . and in this we are assured of the cordial support of our Government. Such treatment on the part of American officials and the cause for it is plain and now that concessions must be made by the American Government, if we stand together firmly as a body aided and supported by our boards of trade we can bring about a change that will be of untold benefit to our American export trade.

These men or their predecessors, undervaluers for twenty years or more, have not regarded it and do not now regard it as improper to deprive our Treasury of the tariff duties as written in the statute books of the nation. They have not hesitated to act on the advice, freely and unblushingly given

in their trade journals and by their prominent spokesmen, to conspire to evade, by all means possible, the laws of this country. If the results are to be what Mr. North says they will be and what all interested in honest dealings and obedience to the law wish them to be, one cannot help but wonder at the universal and exceptional anxiety of these German consigning exporters for an agreement making it well-nigh impossible for them to escape the rigors of the law they have been antagonizing for many years. It is marvelous that these men, convicted decades ago by unbiased investigating committees of gross undervaluations (which, Mr. North impliedly admits, are still committed, but which, he argues, will be stopped by the new agreement), should urge their Government to the point of demanding an agreement which will deprive them of their illicit gains.

THIS SEEMS TO BE AN ANOMALY.

Imagine men holding such views, demanding a "change which will be of untold benefit to the American export trade" fighting for a chance to protect this Government against fraud! Fancy chambers of commerce, "fully awake to the dangers surrounding them," and through whose officials the German consignors have taken care that "investigations should throw little light" upon the actual value of their consignments, consumed with a burning desire to act as a protection against individual fraud upon the revenues of the United States! It is difficult to understand how the composite honesty and integrity of these "quasi-official," "semi-official" chambers of commerce can be much, if any, higher than the average honesty of the average member, who, if the extract quoted represents his feeling, was not strongly in favor of regulations providing for control on this side. If the concessions made (corresponding closely as they do with the specifications set out in the various remarks we have quoted) are to put a stop to individual fraud or are to be even a protection against it, one does not readily understand the reason for Germany's alleged belligerent position.

If these chambers of commerce are to furnish evidence of

absolutely correct values; if the values are to have the stamp of official approval, why did the Commission provide that their certificates should be only "competent" (not necessarily conclusive) "evidence"? That provision shows either that the Germans did not understand the distinction between competent and conclusive, or that the certificates of these chambers of commerce were not expected to be what Mr. North writes they will be — "the guarantee not merely of the chamber but of the Government itself." He adds, "If they (the accredited special agents) have reason to question the accuracy of a chamber of commerce" — over which the Imperial Government exercises the minutest supervision and of which government the chamber is a part — "if they have reason to question the accuracy of a chamber of commerce certificate, they will have the right to ask that it be verified." If this official chamber, a "part of that government," gives an inaccurate certificate the agents will have a right to have the other part of the Government verify it! We dissent strongly from this idea of the efficacy of these certificates. In our view, the provision, as worded, will do no harm to domestic interests, so long as the appraisers follow the directions given them by Assistant Secretary Reynolds of the Treasury, that "the United States did not mean to acknowledge foreign chambers of commerce as final authority in fixing export values. Their opinion is to be taken merely as evidence competent to be considered by the appraisers in their examination of commodities." This advice they have since followed, having thrown aside such certificates as of little value, if any, in determining questions before them. But if the certificates of these official bodies, "part of the Government," are to be treated with such lack of consideration (and the Commission must have known they would be if they were not to be accepted as "conclusive") why was such a chance given for misunderstanding and cause for complaint in the future? If the "back-door" operations of the special agents were to be stopped, for our benefit, although their methods were distasteful to Germany, why was this loose provision inserted? for it will be difficult

to avoid unpleasantness with the German government if its certificates are to be accepted as of no more worth than the testimony of any merchant witness. The Commissioners cannot now claim that they did not comprehend the exact status of these chambers of commerce, for Mr. North asserts "they are part of the Government" and argues that the chambers would not think of issuing false certificates of value. Instead of clearing away causes of discontent, the Commissioners by this stipulation have added fuel to the flames.

WHAT ARE GERMAN CHAMBERS OF COMMERCE?

Officials differ so radically in their statements as to their character that after each utterance the mystery deepens. The President says the German chambers of commerce are "quasi-official;" Secretary Straus says they are "semi-official;" Mr. North says they are "part of the Government," while Commissioner Stone, "Tariff Expert of the Department of Commerce and Labor" differs radically from his fellow commissioner as to the function of the chambers and agrees with Secretary Straus as to their status,¹

The chambers of commerce are semi-official bodies whose functions and activities are strictly regulated by law. They are representative bodies consisting of men elected by the manufacturers and wholesale dealers in each district. Membership in the constituent body of the chamber of commerce is compulsory, and whether a business man takes part in the election of representative members of the organization or not he is required to contribute his share to cover its expenses. . . . The chambers of commerce serve as the medium through which confidential information as to trade openings abroad is communicated to manufacturers and exporters. It is to these bodies that German business men resort whenever they *have any grievances* to which they desire to call the attention of the Government. The chambers are especially valuable to the Government as sources of information which comes directly from the business interests involved.

¹ See pamphlet entitled "Promotion of Foreign Commerce in Europe and the United States," by N. I. Stone, p. 14.

Which does not support the statement that they are "part of the Government," and the enquirer is embarrassed by the conflicting and contradictory statements of the two commissioners.

If the chambers of commerce are "part of the Government," which we doubt, then the Commission, instead of allaying antagonisms and irritations which were said to exist, increased the opportunities for such irritations and misunderstandings. If they are not "part of the Government," which we believe, the provision that their certificates should be merely competent evidence was not improper; for it is inconceivable that any one would agree to permit men, chosen by foreign manufacturers and wholesale dealers, to be the final authority in fixing export values. This provision seems to be harmless, when the language is strictly construed, but difficulties will be encountered if Mr. North's explanation of its meaning is accepted, and we do not wonder that there is some dissatisfaction over it in Germany.

THESE PROVISIONS ARE CONTRADICTORY.

Mr. North contends that "opportunities for the special Treasury agents to obtain evidence of undervaluations have not been lessened by the agreement that they shall be accredited to the German government, but, on the contrary, their power and authority in this respect have been enormously strengthened and increased," this provision, in his opinion, being "another long step in the direction of the prevention of undervaluation" — more effective than any law Congress can pass for that purpose. "Instead of getting information by the back door, as heretofore, they will enter and leave by the front door. I anticipate that they will be given every facility to find out that the German people, as a rule, are just as honest and as high-minded in their commercial transactions as are the American people."

But the question arises: Why must provision be made for special agents, if the certificates of these chambers of commerce are to be *official* guarantees by a "part of the Government" of "the correct and honest price"?

Think of the necessity of providing that "these officers sent abroad," as ex-Assistant Secretary Hamlin has well said, "to examine suspected undervaluation schemes shall be *personæ gratæ* to the very persons they are sent to investigate, and that they shall be recalled whenever their presence ceases to be agreeable to the exporters!"

If under this agreement we are to have valuations never so honest and accurate, why did the President promise to urge Congress to amend the law (which he has since done) to provide for a 10 per cent undervaluation without penalty? Why the necessity for this provision, if the value of merchandise imported from Germany is to be surely ascertained and knowledge of such valuation is to become "world-wide"? Why give this demoralizing privilege to a class of men who have been taught that it is not only not immoral but not even "incorrect" to undervalue German goods for the purpose of entry into American ports and who became notorious for their frauds upon the revenue complained of so bitterly in the eighties?

Consider these two contradictory provisions of this agreement and tell us if the true value is to be so certified, why a right to undervalue up to 10 per cent must be written in the law. Think of providing that the German chambers of commerce shall certify "the true values" of exports and the President promising to recommend an amendment to existing law that will permit undervaluations up to at least 10 per cent without penalty.

ABUSE OF SPECIAL AGENTS; THEIR WORK IN THE PAST YEAR.

These special agents, through whose indefatigable efforts much smuggling and many irregularities against our laws have been unearthed and prevented, come in for an additional "fling" from the President, who characterizes them as "detectives" whose employment, "though often necessary, tends towards abuse." It may not be necessary to employ special agents at all, as far as our actual knowledge of this service goes, but it is hardly to be expected that a body of

men like the chairman of the Berlin meeting, whom we have quoted, will fall over one another in their efforts to furnish information to these officials now that they must be *personæ gratae* to the German government. They may do so; but we have a suspicion that, in the future as in the past, "through the prudence of their officials, investigations will throw "little light upon the actual value of their consignments." That there is still need for the services of these men who "get their information by the back-door" may be gathered from the recent report of the Secretary of the Treasury, who, after nine months' experience in his position, wrote to Congress: ¹

Special agents of the Department have been actively and effectively employed during the last fiscal year in the prevention and detection of frauds on the customs revenue through undervaluation and irregular classification, as well as in the suppression of smuggling. They have coöperated with collectors of customs and appraising officers in all parts of the country and with the Board of General Appraisers, submitting information as to values. In many instances it is due to their efforts and their information that advances in value have been made by the appraising officers and such advances sustained when the cases came for final decision before the Board of General Appraisers. In the aggregate these advances have been large and the revenue from customs much increased thereby.

DID THE PRESIDENT EXCEED HIS POWERS?

While the agreement concerning the open hearing was misapprehended there was still greater "misunderstanding," not only on this side but by the Germans also, concerning section "A," defining market value and construing provisions of Section 19 of the customs administrative act. The agreement provides that the "export price" shall constitute market value where the goods in question are made wholly for export and not sold at home "in the usual wholesale quantities packed ready for shipment to the United States."

It has been claimed that this clause of the agreement

¹ See Report, p. 53.

alters not only the Treasury regulations but the existing law. If that be true, then the President had no right to alter the law without the consent of Congress. In answer to this objection the President says that the method adopted for determining the actual market value of goods is in accordance "with what I am advised to be the *true* construction of the law."¹ Mr. North says that this interpretation of Section 19 was submitted to the Attorney General and by him decided "to be wholly within the letter of the law. Those who contend otherwise cannot have carefully read Section 19."

Without entering into an examination of the sections involved or making an argument against the right contended for, it will be sufficient to quote the opinions of several good lawyers in opposition to the construction insisted upon by Mr. North. The mere fact that, in the opinion of the Attorney General, this interpretation of Section 19 is "wholly within the letter of the law" does not make it so. Attorney Generals have been known to be wrong in the past in their views of the law, and it is within the range of possibilities that the present incumbent may be mistaken; for he is not so great a lawyer as to inspire the utmost confidence in the finality of his construction of any legal question. It was perfectly proper for the President and the Commissioners to be guided by the opinion of their legal adviser; but it does not follow that all who dissent must accept his view of the law. It may excuse the Commissioners for negotiating the agreement and the President for approving it; but it is not necessarily conclusive as to the correctness of the construction.

While the Attorney General advises that the President had the right to make the alteration complained of, the Hon. Charles S. Hamlin, one-time Assistant Secretary of the Treasury under the Cleveland Administration, and an attorney having quite as good professional standing in Boston as the Attorney General has in Baltimore, dissents vigorously from that view, calls the President's action unconstitutional,

¹ See annual message to Congress, p. 61.

and declares that he has "repealed some of the most important parts of the Act of Congress known as the customs administrative act, which for about seventeen years has been a portion of the law of the land."

The Hon. John S. Wise, a reputable lawyer of the New York bar and a man of undoubted ability, has given the following opinion respecting the President's right to do what he has done. Mr. Wise says:

By the third section of the Dingley act, power was undoubtedly granted to the President to enter into negotiations with foreign governments exporting the enumerated articles to the United States with a view to the arrangement of commercial agreements, in which reciprocal and equivalent concessions may be secured, etc. And it was further declared that, whenever such government should enter into a commercial agreement with the United States, etc., which, in the judgment of the President, should be reciprocal and equivalent, he was authorized and empowered to suspend, during the time of such agreement, by proclamation to that effect, the imposition and collection of the duties mentioned in the act on such articles, and thereupon and thereafter the duties levied, collected, and paid upon such articles were to be as described in Section third, at the alternative rate mentioned in Section third.

That was the whole power of the President. There is not a word in the act authorizing him to make any agreement with any government concerning the method by which the valuations on the imported articles were to be ascertained as a basis for levying the duty.

The commercial agreement entered into by the President, on behalf of the United States with Germany, does something more than agree upon the alternative and reduced tariff rates of duty.

Article 2 expressly adopts, as part of and consideration for the agreement, an undertaking to assume by the President, on behalf of the United States, certain modifications of the customs and consular regulations set forth in the annexed diplomatic note. That diplomatic note (paragraph A), which is to be read in the agreement as part of it, provides that whenever goods, etc., sold wholly for export cannot be valued on the basis mentioned in Section 19 of the customs administrative act, another rule of valuation shall be substituted to ascertain the market value, to wit: That "market value

shall be construed to mean the export price." The export price must, in the nature of the case, be the price at which the goods are invoiced to their consignee in the United States. It must be an arbitrary sum. It would not be a price unless it was a fixed figure. It is fixed by a mutual agreement between vendor and vendee. It leaves nothing to be ascertained but the fact of price fixed upon, and is compulsory upon the Government agents in assessing the tariff duty.

Had the President a right to do this? There is nothing in the third section of the tariff act extending his powers to any such subject. His power was exhausted under the guarantee of the third section when he fixed the alternative rate by the commercial agreement. If any power to adopt this arbitrary basis of market value existed anywhere it was in the Secretary of the Treasury under his power to make treasury regulations. If the regulation he made was valid the commercial agreement could carry it out. If it was invalid the commercial agreement could not validate it.

It seems to me that neither the Secretary of the Treasury, nor the Secretary of State, nor the President, had any authority to determine or to instruct their subordinates to construe the act so that the export price should determine the market value.

The eleventh section of the customs administrative act, as amended by Section 32 of the act of July 24, 1907, prescribes a method of ascertaining and determining the market value, where the conditions named in Section 19 fail, which seems to me to be complete and exclusive of any other method. It seems to me that this construction, agreed upon by this commercial agreement, abrogates the legal method of ascertaining market value, as defined by Section 11, repeals its provision, and substitutes a new and inconsistent method of ascertaining market value for the complete method supplied by Section 11.

This action falls within a rule long recognized and repeatedly adjudicated, that no action of any department of the Government which, in effect repeals an existing law and substitutes something else for it is legal. If I am correct, so much of the commercial agreement as adopts this rule is illegal, null, and void.

If this rule to ascertain market value is to stand, it would seem to take away from the General Appraisers all the powers conferred upon them by Section 16 of the customs administrative act.

The question reduced to its last analysis is:

1. Had the President a right to make this commercial agreement?

To that I answer "yes."

2. In doing so, had he the right to alter a mode of appraisement, applicable to all imported goods, whether they come in under commercial agreements or not, prescribed by Sections 19 and 11 of the customs administrative act?

To that I answer "no."

Nothing is said in any law of power in the President to alter the prescribed mode of ascertaining values of goods imported. Until I am shown such I am of opinion that in attempting to do so he has exceeded his authority.

It will be observed that Mr. North, in contending that the President, when ordering the change, "was wholly within the letter of the law," relies alone upon Section 19; on the other hand, Mr. Wise, in reaching an opposite conclusion, bases it upon both Sections 11 and 19, the former of which Mr. North ignores or overlooks.

We are not arguing for the incorrectness of the view held by the Attorney General or for the correctness of the view of Mr. Hamlin or Mr. Wise; but it is plain that, with such divergence of opinion, all cannot be right and, in our opinion, there is just as much chance of the Attorney General being wrong as the others. In view of these different opinions, held by capable lawyers, we dissent strongly from Mr. North's positive statement that "the administration has agreed that hereafter it will consent to construe its customs administration law in accordance with 'its terms.'" Because the President has been so advised does not make it so, and Mr. North's position will be denied and contested until the Supreme Court decides otherwise.

IF TO OUR GREAT ADVANTAGE WHY THE SCRAMBLE FOR LIKE PRIVILEGES?

In view of Mr. North's contention that the agreement is to be of inestimable value to the United States and of so little value to Germany, one marvels at the scramble among foreign countries to be permitted to give still more advantages to us; for soon after the German agreement became

known, various European powers, fearing that the concessions were exclusive, were clamoring for a chance to share in the good things Germany, in their opinion, had secured ; and Secretary Root announced that they would be extended as a "free gift" to every country "which can comply with the conditions under which they were granted to Germany ;" meaning, no doubt, that all countries in which chambers of commerce are "part of the government" would be extended the same concessions.

DIFFICULTIES ARISE.

England, our best customer, was soon "stirred up" over Secretary Root's further announcement that "it is impossible to accept any statement by a British chamber of commerce as evidence of value of goods exported, as is the case with the commercial bodies of Germany and France, as the latter are quasi-official, while the British chambers are non-official." This was regarded by the English people "as a gratuitous slight and as a distinction inspired rather by a desire to hamper British trade than by a genuine belief that the valuations of the chambers could not be depended upon." A protest was made against that distinction and the President, together with the Secretary of State, seeing that it would be impossible to apply two different sets of customs regulations to the imports from different countries, reversed this ruling ; and within a few days another announcement was made, this time to the effect that "certificates of invoices of shipments of British goods to America, issued by chambers of commerce, will be accepted by the Treasury officials on the same grounds as arranged in the German-American tariff agreement." And why should not the British exporters, who have never been undervaluers on the scale set by the German consigning exporters, object to the distinction drawn against their chambers of commerce composed, surely, of men of as high moral character, honesty, and integrity as are the German bodies ?

WHO ARE THE PRESIDENT'S EXPERTS?

Respecting certain of our methods of administration which have been the cause of much complaint on the part of German exporters, the President, in his annual message to Congress, said: "I became satisfied that certain vicious and unjustifiable practices had grown up in our customs administration, notably the practice of determining values of imports upon detective reports, never disclosed to the persons whose interests were affected. Under our practice as I found it to exist in this case the abuse had become gross and discreditable. . . . In the judgment of the most competent experts of the Treasury Department and the Department of Commerce and Labor, it was wholly unnecessary for the due collection of the customs revenues and the attempt to defend it merely illustrates the demoralization which naturally follows from a long continued course of reliance upon such methods."

This tirade against "the practices which have grown up in our customs administration" is based, the President writes, upon his "investigation," and upon the judgment of experts who, in giving this opinion, are in opposition to the majority of the General Appraisers; but he vouchsafes no names that we may know their experience and their fitness for giving such opinion and such advice. No such conclusion as the President says he reached can be based on the testimony of the Secretary of the Treasury or the United States officials as given to the Ways and Means Committee in February, 1906, when they were investigating this whole question. It is to be regretted, that in view of so much adverse testimony then given, Congress could not have been informed who these men are that know more about the custom house practices than the Secretary of the Treasury and the General Appraisers.

THE AGREEMENT WAS MADE FIRST: INFORMATION WAS
SOUGHT LATER.

Notwithstanding the confident tone of the President a slight experience under the agreement served to show that

the opinion of the office experts in Washington and the views of "the competent experts in the operation and administration of the customs tariff" were not quite equal, after all, to that of men dealing every day with importations; and in September it was deemed necessary to send abroad another Commission, consisting of Assistant Secretary Reynolds, of the Treasury, and General Appraisers De Vries and Waite, charged with the duty of making a thorough investigation of export prices and market values; for, it was stated, "within the few months between July and September, it had become apparent that determined efforts were being made abroad to enter goods into this country at the export rates rather than at the regular foreign value." The whole attitude of the Commission, it was also stated, "was to be that of seeking light on a subject which has been giving much trouble to the customs tribunals, with the idea of suggesting such reforms as may be deemed necessary."

In addressing the members of the American Chamber of Commerce in Paris, Mr. De Vries remarked that the Commission had gone "to France to study the organization of French chambers of commerce. Upon the signing of the German agreement, and after its extension to France and other countries, the Board of General Appraisers and the Treasury Department naturally desired to know the manner in which these chambers of commerce were constituted for the purpose of arriving at the weight which should be attributed by the board to the findings and certificates of these commercial bodies."

CERTIFICATES FROM OFFICIAL AND UNOFFICIAL BODIES ON AN EQUALITY.

Secretary Reynolds and his Commission agreed with the British Government, according to a press dispatch, that "the Board of Trade shall investigate the local boards of trade and chambers of commerce and recommend those which it considers competent to undertake the work of certification." The effect of this arrangement is that these "commercial bodies," which, according to Secretary Straus, "are unofficial,

very much the same as over here," have been given the same right to issue certificates of value as the German bodies which Mr. North says are "part of the Government." In view of this concession, what becomes of the effect of his assertion that the German certificates, because they are official, are to be a "protection against individual fraud which has never heretofore existed"? If the protection is secured in Germany because the certificates are given by a "part of the Government," what protection is there to be in the case of English certificates given by commercial bodies which are "unofficial, very much the same as over here"?

WAS WISDOM SHOWN IN THE NEGOTIATION?

All of which suggests the inference that the President and the Secretary of State, when they authorized the negotiation of the German agreement, did not see all the difficulties involved in the questions in dispute. If they had, it goes without saying that the President might have been more circumspect and cautious in his denunciation of the "vicious and unjustifiable practices which had grown up in our customs administration;" and the Secretary might have pictured in less glowing colors the great benefits which were to flow to us from the agreement.

The sending of the second commission to seek light after the agreement, under which the trouble arose, was signed and promulgated, reminds one of the man who locked the stable door after the horse was stolen. In our view it would have been wiser to seek light on the troublesome subject and receive suggestions of needed reforms (if any were needed) before sending the first commission to conclude an agreement with Germany. If the first commission put "our commercial intercourse with that nation on an honorable, dignified and self-respecting footing of international comity," why was the second commission necessary?

MISUNDERSTANDING STILL EXISTS IN GERMANY.

It seems now that the Germans insist upon an interpretation of certain sections of the agreement decidedly different

from that taken by some of our officials. Mr. Ludwig Max Goldberger, a Privy Councillor of the German Empire, in a carefully prepared article recently published, contends that "market value" in the agreement means "export value," "the provision being valuable in that it establishes a standard." Mr. Goldberger glories in the fact that Germany is a "consigning nation;" which he regards as "a perfectly legitimate and unimpeachable business." He notices an address President Roosevelt is alleged to have made to the Textile Importers' Association and criticises some of the statements said to have been made, declaring them to be by no means "free from recklessness and error." It is not pleasant for us to criticise the words or actions of the President, but it is much less pleasant to have the Executive accused by a representative of a foreign power of making statements "by no means free from recklessness and error."

WHAT GERMANY WISHES TO FORCE.

What Germany wishes is not a temporary agreement "attacked by strong interests in the country or one whose validity may be questioned," but a reciprocity treaty, which Herr Goldberger hopes will be permanent. This, he suggests, can be accomplished in one of two ways: either by adopting the recommendations of Mr. N. I. Stone, one of the members of the first commission, who proposes that Article 3 of the Dingley law be so altered by Congress as to include a considerable number of imported articles in which States of different climate and yielding different productions have their interests centered, or (and this proposal Mr. Goldberger endorses) by modifying Article 4 of the law so that without any time restriction the President may be empowered, with the assent of the Senate alone, to make reciprocity treaties upon a universal basis of 20 per cent duties. This, he declares, will not be an agreement but a "treaty which will live for a long time. Nothing short of a treaty can help us in Germany or you in the United States."

DISAPPOINTMENTS HAVE OCCURRED AND WILL OCCUR.

Since the negotiation of a reciprocity treaty has been promised Germany, it is well to discover the professions of some organizations favoring such a convention. The "Bulletin" of the American Reciprocal Tariff League says, "standing for adequate protection to all our industries, it (the League) believes that the time has come for the trading off of duties *no longer needed* in exchange for valuable trading privileges to be granted us abroad." If some industries are so strong as completely to dominate the domestic markets and require no protection, or can dispense with "duties no longer needed," what would it benefit the rivals abroad to have them traded off? If foreign powers were lured into the making of a treaty on such a basis, would they not soon realize what this Reciprocal Tariff League has found out in respect to German minimums,¹ that "the privileges granted do not enable them to export the goods"? And if the foreigners are enabled to export goods in quantities sufficient to gratify and satisfy them with the bargain made, would adequate protection be afforded all our industries? It seems plain to us that the League cannot cling to its announced tenet of "adequate protection to all our industries" and at the same time "drive" for reciprocity treaties which trade off one industry for the benefit of another or some industries for the advantage of others. Trading off "duties not needed" is a snare and a delusion which is not likely to catch many victims abroad; and our experience with Germany, accepting as true the statement made by the League paper, is not calculated to make many on this side of the water believe that we made a great bargain in our first attempt with that country.

HERR GOLDBERGER OFFERS GRATUITOUS ADVICE.

Like the Austrian manufacturer from Brünn, Mr. Latzko, who advised the Ways and Means Committee during the framing of the Wilson bill, Herr Goldberger repeats gratuitous advice given on a former occasion, which, he

¹ "Bulletin" of the American Reciprocal Tariff League for November, 1907, p. 1.

hopes, will not be "unpalatable to Congress." In part, he says :

It is also my opinion that the producer himself on calmer reflection, as soon as the years have brought hard times, which are never far off, even in countries of unlimited possibilities, will arrive at the conclusion that a steadier and sounder policy in *foreign* trade such as the ever increasing flood of industrial activity demands, cannot be maintained and developed merely by framing tariff and commercial treaties valid for many years, but only by the *abolition of an insecure and prohibitive protection system*, which does not benefit the people in general, but only promotes to an inordinate degree the plans of a single group of men who are interested in its maintenance.

This privy councillor joins the chorus of that ignorant choir who constantly sing the refrain, "prohibitive tariff." It is amusing, coming from a German, inasmuch as the value of partly manufactured goods imported yearly into the United States exceeds by \$25,000,000 the value of the same class of goods imported by Germany, while the value of wholly manufactured goods exceeds by \$126,000,000 the value of those imported by Germany and exceeds by \$65,000,000 those of France and Germany combined. "Prohibitive protection system," forsooth !

It does not lie in the mouth of any German to complain of the American tariff or falsely to characterize it as "prohibitive," when in the fiscal year 1905 Germany imported¹ not a pfennig's worth of fabrics of silk or wool, while her exports of silk fabrics were valued at \$35,557,200 and her exports of wool fabrics at \$69,900,600 ; nor a farthing's worth of clothing, while her exports were valued at \$27,298,600 ; nor a penny's worth of aniline dyes, while her exports were valued at \$23,966,600 ! This exclusion of foreign products in these various lines may have been due to "prohibitive" tariff rates for aught we know, or to a cost of production which was so low as to accomplish the result.

¹ See Daily Consular and Trade Reports for December 22, 1906.

Whether it is due to the one or the other, or to both, matters not; for were the markets free, what would it profit us if we found ourselves unable, by reason of greater cost of production, to compete with the highly developed German industries in their home markets? We challenge any one to cite any similar schedule or *any* schedule of our tariff which produces the results in our markets that are to be found in the German figures of foreign trade for 1905.

IF EUROPEAN COUNTRIES FAIL OF ACCESS TO GERMANY'S
MARKETS COULD WE SUCCEED?

Neither Austria-Hungary, Italy, Servia, Roumania, Switzerland, Belgium nor Russia, her continental neighbors, with which countries Germany has reciprocity treaties, nor Great Britain, the greatest exporting nation of the world, nor France, sent her a mark's worth of silk or wool fabrics in 1905 (these being the latest figures at our disposal), and there is no reason to believe that they have succeeded any better during any year since. She imported of bicycles and parts not a penny's worth, while her exports were valued at \$7,092,400; of manufactures of copper, including brass, she imported none, while the value of her exports was \$11,566,800; of iron and steel and manufactures thereof her exports were valued at \$180,213,600, her imports of the same class being but \$18,730,000 and all machinery, a portion, no doubt, being textile machinery, in the manufacture of which Germany as yet does not hold a preëminent position. The story is the same in leather and leather goods — no imports, and exports valued at \$31,439,800, and the list could be extended, if there were need. But enough have been given to show that if Germany's European neighbors, with the benefit of lowest rates under reciprocity treaties and with lower cost of production than the United States, failed to gain access to her markets in the classes of manufactures enumerated, surely no better results can be hoped for by us, if given the minimum rates also.

NEITHER SIDE SEEMS WHOLLY PLEASED.

This temporary agreement wholly pleases neither Germany nor the editors of the American Reciprocal Tariff League "Bulletin," who have said:

"Now it is entirely true that the temporary agreement which has received the sanction of the Administration is not exactly what our people want. Indeed it is far from it. . . . As a matter of fact Germany's minimums on many of our products are too high to enable us to export the goods.¹" Two years ago we pointed out that these irreducible minimums on agricultural products and provisions were inserted in the German tariff at the demand of the Agrarians, and that it was futile for these Reciprocitarians in the United States to hope for great things from a "trade" with Germany. Now, after an agreement, under which, as Secretary Root says, 96.7 per cent of our exports to Germany have the benefit of the lowest tariff rates, these insistent agitators confess that the minimums are still "too high to enable us to export the goods." Although we get so much and Germany so little from this agreement, we find that even those who vehemently favored the agreement and applauded its negotiation are now dissatisfied with the results obtained, which avail them nothing.

Compare the foregoing with the glowing announcement made by President Saunders of the League, upon his recent peaceful invasion of Washington, that "seventy-five million dollars of foreign gold will be one of the first fruits of reciprocity treaties with France and Germany." Was this intended for consumption by the credulous public, and the other to express the true feeling of disappointment entertained by the editors of the League paper? Which is to be accepted as true?

THE MOST OBJECTIONABLE FEATURES OF THE AGREEMENT.

But some of the most objectionable features of this agreement have not been touched upon thus far. We regard as

¹ "Bulletin" American Reciprocal Tariff League for November, 1907, p. 4.

the most dangerous feature of the agreement the implied promise of the President to negotiate a reciprocity treaty and his absolute promise, in the Diplomatic Note of Secretary Root to the German Ambassador on May 2, 1907, to recommend to Congress the enactment of an amendment to Section 7 of the customs administrative act of June, 1890, to provide that

if the appraised value of any article of imported merchandise subject to an ad valorem duty or to a duty based upon or regulated in any manner by the value thereof shall exceed the value declared in the entry by more than 10 per centum there shall be levied, collected and paid, in addition to the duties imposed by law on such merchandise, an additional duty of 1 per centum of the total appraised value thereof for each 1 per centum in excess of 10 per centum that such appraised value exceeds the value declared in the entry.

Which means that undervaluations of 10 per cent will be allowed; and the invitation will be unanimously accepted.

THE PROMISE IS AGAINST ADVICE AND EXPERIENCE.

This promise was made contrary to the advice of the Chairman of the Ways and Means Committee,¹ who, at the hearings already referred to, said: "The law of 1890 contained a provision that unless there was a difference of 10 per cent there was no penalty. We changed the law afterwards and we did it because of the representations of the Treasury Department and of the appraisers and everybody else connected with it, that dishonest importers could take their chances on 10 per cent of fraud because it amounted to that in relation to the revenue; and it got to be almost the universal practice of a certain class of importers to guess 10 per cent below the actual value because it did not harm them any, as they simply had to pay duty on the real value."

REASONABLE SUGGESTIONS WERE SPURNED.

Secretary Shaw suggested to the Ways and Means Committee, as one of the "gentlemanly concessions," that the

¹ See Hearings, p. 24.

penalty be remitted in every case when the undervaluation is less than 5 per cent and the Secretary of the Treasury be given the power to remit the next 5 per cent upon the recommendation of the Board of General Appraisers — the first of which seems to be reasonable enough, perhaps, taking into consideration the difference of opinion among experts as to values.

The amendment suggested by General Appraiser Fischer¹ provided that when the increased valuation did not exceed 5 per cent the penalty should be remitted if the General Appraiser or Board of General Appraisers should certify that the increase was due to trade conditions only and was not an intentional undervaluation. This, he felt, would “protect the honest merchant and punish the other class.”

But the President ignored this testimony and, in ignorance, let us say, of the iniquities practised under the law of 1890 and previous laws, agrees to return to conditions which *were* intolerable.

In this day of great specialization (when no one man understands the whole of any modern business, much less the whole of all businesses) would it be wise to entrust the negotiation of a complete reciprocity treaty involving the manifold interests of our various industries, to a man and his advisers who have agreed to make a recommendation such as the foregoing? or a man who writes that “there must always be as a minimum a tariff which will at least make good the difference in cost of production here and abroad; that is, the difference in the *labor cost* here and abroad”?²

Who agrees with him that “cost of production” is the same thing as the “labor cost”? If only that were considered, what would become of the countless other differences, such as higher cost of materials in some lines, higher charges for fuel, higher interest charges, higher taxes and many other items proper to be considered in reaching the “cost of production”? In this day of close trading, with large sales and small profits,

¹ Ways and Means Hearings, 59th Congress, 1st Session (1906), p. 67.

² See annual message, 1907, p. 14.

these alone in this country are sufficient to spell success when they are favorable, or failure when they are unfavorable.

This ill-considered and ill-advised compact would not, we believe, have been approved by Congress. By that body it would have been viewed in an entirely impersonal way; and, in our opinion, open discussion of its provisions and promises would have condemned it to the defeat it merited. It is a conspicuous example of the difficulties and dangers to be encountered continually, if the power to alter existing laws is to be lodged in the hands of one man, no matter how brilliant he may be or how pure his motives; and it is justification, if one were needed, of the opposition, long declared by this Association, to reciprocity treaties and similar agreements with other nations.

J. B. McP.

SECRETARY STRAUS AND HIS PROPOSED NATIONAL COUNCIL OF COMMERCE.

For some months past the Hon. Oscar S. Straus, Secretary of the Department of Commerce and Labor, has been busy with an attempt to organize what he is pleased to call a National Council of Commerce. This scheme received its impetus from a circular letter, dated October 23, 1907, sent out by the Secretary to "a selected number of boards of trade, chambers of commerce, and trade organizations in the leading cities of the United States, inviting them to send representative committees to meet in the Department of Commerce and Labor on December 5 to consider ways and means to establish a closer relationship between the Department and the *commercial* trades of the country with the view of rendering the Department more helpful to the *commercial* interests." It will be noted that invitations were largely restricted to boards of trade, chambers of commerce, and trade organizations, very few industrial or manufacturing associations being invited to or represented at this gathering, although the act creating the Department provided that its duty should be "to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing and fishing industries, the labor interests, and the transportation interests of the *United States*."

WHERE THE INVITATIONS WERE SENT.

In his circular letter the Secretary said: "With a view of developing the most practical plan for rendering this Department of greater service to the *commercial* interests of the country and at the same time to enable the Department to enlist the coöperation of such interests, I have invited the chambers of commerce or boards of trade from some forty of the leading cities to appoint committees to meet in the Department of Labor and Commerce to consider ways and means of accomplishing the objects above set forth."

Acceptances were received, it is stated in an official report of the proceedings, "from practically all of the organizations invited." The only organizations with delegates present which could possibly be regarded as representing manufacturing interests were the National Association of Manufacturers, with five delegates, among whom were H. E. Miles (the vehicle manufacturer of Racine, Wis., who recently made a most virulent attack upon the tariff which would have done credit to a rampant free trader) and A. B. Farquhar, a pronounced anti-tariff man, if not free trader, who makes agricultural implements; the Trade League of Philadelphia; the American Meat Packers' Association of New York; the Millers' National Federation of Chicago; the American Association of Flint and Lime Glass Manufacturers; the Manufacturers' Association of Indianapolis; the Southern Manufacturers' Club of Charlotte, N.C.; and the Commercial Club and Manufacturers' and Merchants' Association of Kansas City.

TARIFF ENEMIES WERE NOT FORGOTTEN BY THE SECRETARY WHEN INVITATIONS WERE SENT.

Not content with ignoring the iron and steel makers, the cotton manufacturers, the wool and silk manufacturers and scores of other industrial interests that have built up the domestic and foreign trade of the country, the Secretary was careful to have present, as a "special delegate," Mr. Wm. R. Corwine, Secretary of the New York Committee of the American Reciprocal Tariff League, but representing no trade or commercial organization. Later, Mr. Corwine was made temporary secretary of the National Council, the indication being that the temporary officers will be made permanent. Nor was the American National Live Stock Association, one of the most conspicuous members of the American Reciprocal Tariff League, forgotten. Every organization and some individuals (whether or not they represented any association connected with legitimate trade) agitating tariff revision and reduction and the German agreement were bidden to this gathering. This could not have been accidental, but must

have been the purpose of the man responsible for the sending of the invitations. Whether that purpose was one of intended hostility to or friendliness for domestic industries, the writer leaves to inference.

However, the scattering of invitations to "a selected number of boards of trade, chambers of commerce and trade organizations, and the ignoring of industrial and manufacturing associations does not seem so strange when one considers the opinions of the Secretary respecting the tariff and his support of and adherence to a policy considered by manufacturers as inimical to their interests and the interests of the country.

WHAT IS THE PURPOSE OF THIS COUNCIL OF COMMERCE?

The purpose of this National Council of Commerce seems to be, not the fostering and developing of the manufacturing, labor, and transportation interests of the United States, but the extension of foreign trade, the action of the Secretary being the result of a request made by Mr. Gustav H. Schwab, of New York City, for "the adoption of some system somewhat similar to those which prevail in the principal European countries for an adequate governmental service of information on foreign tariffs and foreign commerce."

"The purpose of the conference," the Secretary declared in his address to the delegates assembled, "is administrative, not legislative. This Department is not charged with matters relating either to finance or revenue, nor with administrative duties affecting the tariff or reciprocity." Yet one duty of the Advisory Committee, as provided in the tentative plan submitted by the Secretary and adopted by the delegates, is "to furnish the Secretary of Commerce and Labor with authentic information as to the needs and conditions of different industries whenever commercial treaties are under consideration"!

Is one to believe that this Council and the Advisory Committee are to perform the duty prescribed or to have nothing to do with the tariff and reciprocity? Until the Secretary ceases to contradict himself flatly, we submit one has a right

to ask for a positive, reliable statement of the real functions of this new body and its principal committee.

As further evidence of the purpose of this Council let the Secretary again speak. In recounting the work done abroad by the special agents of the Department and the establishment of a Division in the Department, known as the Division of Foreign Tariffs, the Secretary said to the delegates: "It is of the highest importance to the *exporting* interests to learn at the earliest moment not only of tariff changes in foreign markets, but also of the proposed changes affecting the exports from this country." "The idea of this conference," the Secretary continued, "is the idea that I have that the legislators who conceived the formation of this Department had in view, namely, the development of the commerce of the country and the development of international commerce." To effect this purpose, note where he placed the emphasis when he said: "In order to do that the commercial representatives must come in touch with the Department and this Department must come in close touch with the leading commercial men of the country. In other words, the object of this meeting is to consider ways and means of forming this connection between the Department and its various bureaus and the great commercial organizations of the country."

In recommending the organization of a body to serve as a connecting link between the department and the commercial organizations, the Secretary suggested a small executive committee, which should be "thoroughly representative of a larger body consisting of representatives from commercial and industrial organizations throughout the country" — an end he failed to attempt to secure at the first gathering.

THE PLAN SUBMITTED BY SECRETARY STRAUS AND ADOPTED BY THE DELEGATES.

The plan submitted provided for a National Council of Commerce and an Advisory Committee. This National Council is to be "composed of one representative from the leading commercial and industrial organizations representing

the principal lines of commerce and manufacture in *every* section of the country." The Secretary fell far short of this standard in his first effort, for according to his own admission, no invitations to be present at this initial gathering were sent to the great iron and steel, cotton, silk, and wool manufacturing industries. In addition to furnishing "the Secretary of Commerce and Labor with authentic information as to the needs and conditions of different industries whenever commercial treaties are under consideration," this advisory committee is "to receive reports and communications from commercial and other bodies as to their needs in the promotion of commerce." It is to meet four times a year and "is to act as an intermediary between the Department and the commercial and industrial interests of the country."

THE CHAIRMAN AND HIS BUSINESS CONNECTIONS.

The delegates to this conference elected as temporary chairman Mr. Gustav H. Schwab, a member of the National Committee of the American Reciprocal Tariff League and representative in this country of the German shipping interests, with power to appoint a Committee on Organization and one on Rules. On neither of these committees is there a single representative of a New England industry (this section being recognized by one member on the former committee, he being credited to the National Board of Trade) and the only representatives of domestic industry are one from Wisconsin, whose savage attack on the tariff shows him to stand hand-and-glove with those who are using their utmost endeavors to break down the barriers which keep out the flood of foreign imports which would otherwise overwhelm many branches of our domestic manufacture.

The Committee on Organization, appointed by Mr. Schwab, reported a plan (practically that outlined by the Secretary) for the suggested Council of Commerce and an Advisory Committee, each body to elect its own officers and establish its own rules of procedure. The council is to "be composed of one representative from the leading commercial and industrial organizations representing the principal lines of com-

merce and manufacture in every section of the country. The Advisory Committee is to pass upon applications for membership in the council;" but it was provided that all the organizations invited by Secretary Straus and which sent representatives to the gathering on December 5 should be considered members of the council.

WOULD DOMESTIC OR FOREIGN INTERESTS BE FAVORED
BY PRESIDENT SCHWAB?

This Council of Commerce, which Secretary Straus has been advocating by pen and voice, since December 5, has not met with instant and unqualified approval by representatives of even all the associations invited to the first conference. The wisdom of the plan is doubted: for the success of this proposed National Council of Commerce means the multiplication of associations with somewhat similar aims, the duplication of expenses, and the decay and death of associations long in the field, whose officers and members believe that there is still need for their activities along other lines than those to which this new organization is said to be restricted. In addition to the foregoing reasons for declining to join this new organization, it is widely believed that the president, Mr. Schwab, does not and cannot truly and loyally represent American interests, being, as he is, the representative in this country, not of American, but of foreign steamship companies. From a man with such associations what action favoring domestic industries or American shipping or, in fact, anything American, could be confidently expected?

EVEN ALL COMMERCIAL BODIES DO NOT SUPPORT THE NEW
COUNCIL.

At the recent annual meeting of the National Board of Trade, an organization whose line of action has not always squared with that of this Association, the opinion prevailed that the Board of Trade, organized to "investigate and advise concerning legislation," and not, like the proposed Council of Commerce, to coöperate with the Department over which Secretary Straus presides, in respect of adminis-

trative matters, should hold its ground. Even the members of this commercial body, with no undue friendliness to domestic manufacturing industries, doubted the fitness of Mr. Schwab for the presidency of the council, and it is not surprising that men whose interests are not in or with foreign steamship lines should look askance at him, doubt his altruism, and suspect his motives in pushing this new scheme. When his record and his associations, together with those of Secretary Straus and his utterances are considered, we submit that the doubts and suspicions entertained are not unnatural or undeserved.

SECRETARY STRAUS IS HOSTILE TO A PROTECTIVE TARIFF.

Knowing the hostility of the Secretary to the protective tariff and to domestic manufactures, we are not surprised to learn that his invitations to this conference ignored the chief industries of the nation and were confined to "chambers of commerce and boards of trade from some forty of the leading cities of the country." What else could be expected from a member of the Reform Club—a reorganization of the old Free Trade Club of New York City? Just a year prior to the date on which this conference was called to meet in Washington, the name of Oscar S. Straus was attached to a circular issued by John G. Agar, chairman of a committee to secure members for this club, and quoted as approving of its purposes. The objects of this club can be easily understood from a few quotations from that circular, which says: "More recently the Tariff Reform committee has found such rapidly reviving interest in its work as to justify an attempt to organize upon a national scale for an aggressive fight, first in the congressional elections near at hand and thereafter during the war." The first paragraph further discloses the purposes of the club. It says: "After its record of most active work in agitating against Protectionism, the Free Trade Club of New York City decided in 1887 that the time was ripe for systematic education of the people on the whole subject of Tariff Taxation and in behalf of Commercial Freedom." "The Reform Club," it adds, "was then formed."

DOES THE RECORD OF MR. STRAUS INDICATE CONCERN FOR
DOMESTIC INDUSTRIES?

Is it not a sight for gods and men to see a member of a club, whose announced and principal object is to organize for an "aggressive fight in the congressional elections near at hand and thereafter 'during the war,' and to agitate against Tariff Taxation and in behalf of Commercial Freedom," sitting in the Cabinet of a President who, in his last annual message to Congress, says that "the country is definitely committed to the protective system," and "any effort to uproot it could not but cause widespread industrial disaster"! It would be laughable, if it were not serious, to think for a moment of a man approving the purposes of the Reform Club being the head of a Department, one of whose duties it is to foster the manufacturing interests of the United States, or being solicitous for the growth and encouragement of industrial enterprises which need the protection of an adequate tariff to preserve them against successful foreign attack.

THIS ASSOCIATION WAS UNBIDDEN TO THE CONFERENCE.

This Association received no invitation to participate in the conference; but since the temporary organization, which no doubt, will be made permanent, it has been invited to become a member at a cost of \$100 annually. The writer felt it his duty to gather all the facts he could get concerning the gentlemen fostering this scheme and its announced purposes, and lay them before the members of the Association without suggestion or recommendation for such action as they may wish to take.

If they feel it is fair to provide that this Association, representing industrial units of large size in many States, should have no more representation in this council than "any active commercial or trade organization," perhaps several from one small city of the far interior; if they wish to enter the Council after organization is effected and officers are chosen in whose election they have had no voice; if they trust the kindly feeling of the men at the head of the organization toward the indus-

trial, transportation, and labor interests of the *United States* and their intention to foster them along with the domestic and foreign commerce, rather than to attempt to extend the foreign commerce at the expense of domestic industries; if they believe that the great objects which Congress provided should be promoted by the Department of Commerce and Labor are to be carried out with benefit to all and injury to none; if they are convinced that the energies of this National Council of Commerce are to be used alone to secure "adequate governmental service of information on foreign tariffs and foreign commerce" and are not to be directed toward assisting and promoting the various schemes for securing a revision and a reduction of the tariff, and the negotiation and ratification of reciprocity treaties; if they have faith that these energies are to be restricted to the laudable and proper province of the Department with which the Council is expected to coöperate, then it may be that they will desire to enter this organization, whose plan, it is stated in the circular letter received from Mr. Schwab, inviting this Association to membership, is "to follow the suggestion of the Secretary in this, as in other respects, eliminating questions that were of a controversial or political nature."

The records of the men, now most prominent in this new movement, for hostility to much for which this Association stands and their friendliness to much which it has long opposed give reason for pause before definite action. Whether it were better to enter the organization or to hold aloof is for the membership to decide.

J. B. McP.

Editorial and Industrial Miscellany.

THE RESPONSIBILITY OF THE MANUFACTURER.

THE education of the young needed to fit them for their life work is becoming a live question in the United States, and an earnest inquiry is now being made to learn the cause for the incompleteness of the prescribed course of study by so many pupils, not in one locality or in one State or section but throughout the country. Within recent months the Philadelphia Teachers' Association held a conference at which the "Responsibility for leaving School before finishing the High School Course" was discussed in its different phases by Dr. Elmer E. Brown, United States Commissioner of Education, Mr. Charles H. Harding, of the Erben-Harding Company, Philadelphia, and one of the vice-presidents of the National Association of Wool Manufacturers, and a Mr. Patterson Dubois, author of "The Point of Contact in Teaching." Mr. Harding spoke on "The Responsibility of the Manufacturer," and it is with pleasure that we present below the remarks he made. He said:

The knowledge, on the part of a gentleman of your Association, that forty years ago I belonged to your profession and have not lost my sympathy with the noble army of martyrs was, I think, the real foundation for the invitation that brought me here; and then, further than that, the fact that for a time I have been a parent and in later time a grandparent, and part of the time on the wages roll of one of the mills of this city, and am at the present time an employer connected with the worsted industry, made up the reasons, I think.

The problem that was first laid before me has been made a little clearer by some statements from Dr. Brown; and, as I am brought to face it, it seems to be an inquiry into a state of affairs which may be represented by the Doctor's fundamental proposition that only ten out of a hundred come up into the high school; and the statement that out of a freshman class of a thousand in the high school, not more than one hundred and fifty are graduated; and this discussion seems to be a chase for the reasons; and after having heard what the matter is in the families and what the matter is in the school, I suppose your committee thought that they would arrange it so that at the end they would have the real culprit before them.

I want to suggest (and it is too late to do more than make statements) — I want to suggest that the propositions for a continuous education to comparatively mature years involve three assumptions which you may carefully study. One of them is the assumption of potential circumstances that will allow those who are desirous of this form of higher education to pursue their ideal until it is realized. Another is the assumption of an equal endowment of capacity on the part of all these which shall enable them to realize (given the time and the means) their high ideals. I do not propose to question either of the assumptions, except to say, in the matter of the second, that my experience as a teacher with pupils who went so far as to finish the scientific course in the First Normal School of Pennsylvania convinced me that — without any reflection on my dear old pupils and friends — or to put it in a general form, convinced me that not all mankind in civilized nations or even in the country of the free are equally endowed with the capacity that will allow the realization of high ideals of scholastic attainments.

Another assumption involved is, that the condition of the world's work will be so rearranged that when we all of us shall have acquired this boon of higher education which I am sure is our birthright and ought to be our aim, — that the world's work shall be so rearranged that at that time such a highly educated individual shall be able to adjust himself to the circumstances of employment, and that all the other avenues of employment which are now filled by juvenile people have been taken care of meanwhile: and these three assumptions we ought to investigate.

WHAT THE MANUFACTURER IS NOT RESPONSIBLE FOR.

Now I want to make, not a plea of avoidance; but I want to make an answer for the employer as to his responsibility for the present situation, assumed to be a calamity, which this investigation hopes to cure, to a greater or less extent. The manufacturer, in the first place, is not responsible for the pressure of circumstances which forces or unduly biases growing children to leave their birthright of the school and, as they put it, go to work. You never saw an advertisement, you never heard a plea, coming from employers inviting children to leave school to go to work. I never knew of such a case. I do not say, mind you, that there are not certain gentlemen of base principle who are employers that would do it if they dared; but who, in this city, ever has dared to do a thing like that, or let it be known anywhere that he was enticing children from the schools for the sake of putting them to work? Employers are not responsible for that centrifugal force that is inherent in a manly boy and in a right-minded girl that they may, sooner or later, be doing something for themselves; neither are employers responsible for their mistakes in beginning the gratification of this centrifugal

movement too soon in life. The responsibility must lie elsewhere for that; it may lie in the family; I don't know. The employer is certainly largely responsible for the improvement and adjustment of the conditions of factory life that will make employment there agreeable and wholesome and not too burdensome. Nowadays he is pursued hotly by child-labor committees and the cohorts of right-meaning but sometimes too enthusiastic legislative committees that insist on the fastest sort of pace in making palaces, if possible, out of the factories; and I find no fault with such movement; I say seriously and solemnly, I am in sympathy with the intent, and I think, so far as I know, the large majority of employers are in sympathy with all the movements that will make better conditions for the help among whom so many of them have labored themselves; and the individual and family concerns of the wage-earner are often far nearer to employers than you think. Of course you cannot expect the employer to be always in sympathy with every proposition put up to him by the volunteer associations that have suddenly awakened, after they have trifled awhile with the frivolities of the social life in which they have been brought up — suddenly awakened to their responsibilities for benevolence to their neighbors — you cannot expect that the manufacturers shall always be in lively sympathy with the spontaneous movements that sometimes are erratic.

As an instance, I remember, some years ago, receiving a letter from a lady living below Market street, who was the secretary of an association for the beautifying of the ugly mills. I happened to be connected with a mill out here that is an old structure, and her proposition was to plant ampelopsis and other creepers about these ugly walls; and my answer was that she was at liberty to do anything of the kind she liked, on one condition, and that was that she would keep the sparrows out of the vines.

RESULTS OF CHANGED METHODS OF EDUCATION.

Now in what I say next I don't propose to arraign the educational movements, with which I am in hearty sympathy; but I want to say that the old-fashioned ideals of education have fallen into decadence, and influences in the last twenty years have been introduced which, of themselves sharply defined, have served more or less to distract the attention and to dull the love of students for the higher forms of education. I do not mean to say that they are not all right; but when you are looking for responsibility for early desertion of school, I want you to take notice of the fact that there has been the introduction, in the first place, of selective privileges in educational courses for the sole purpose of allowing people to avoid the labor of following, for a long term, the ideal of the acquisition of a fine education. All sorts of movements in educational lines have been established which have been distinctly and proudly charac-

terized as practical; and that is right. The manual training schools, the practical departments in schools like the Central High School; the technical departments in schools — the establishment of technical schools and colleges: all these things are perfectly right and proper; but I humbly ask that you will not brand the manufacturer or the employer when you find that the cultivation of these new ideals for a series of years has developed a tidal flow away from the old-fashioned thought of the perfect education in all departments of knowledge, which means a man might wait until he is beyond twenty-one years before he thinks of doing anything in the practical work of the world.

I say these movements are right and proper; but the result might have been expected. You take a child — a boy or a girl — and you begin to prepare him for a practical life. If he is full of energy and has the spirit in which you delight, which it is your pleasure to cultivate, you must not be surprised if sometimes the joys, the earnings, the independence, and the influence of this practical life so appeal to him before he is ready, and to her before she is ready, that you find them leaving school and pursuing the very ideals that you have been trying to implant as proper ambitions.

You know they begin early to teach girls to sew in some schools, and to teach them to cook and to prepare them for practical life. Now, does anybody expect the normal ratio of marriages to decrease from an education of that kind? So I beg that you will consider some of these influences toward separation of the scholar from the ideal scholastic life that are themselves inaugurated and are themselves developed and are themselves prized as part of the new education.

THE TRUE RESPONSIBILITY OF THE MANUFACTURER.

There are some things for which the manufacturer or the employer *is* responsible. He is responsible for the adaptation of means that shall help the people who want to work to realize their ambitions to be more or less self-supporting or helpful and to find their way out into what, to their view, is really the paradise of working.

Fifty years ago this month I was sent from school to the plow-handles. It wasn't a rest cure; it was not a cure by absent treatment; but it was a cure all the same for a physical condition which the family physician said would land me not in Dickinson College, for which I then held a scholarship, but would land me in the graveyard. Philadelphia thereby lost a mediocre lawyer and the fraternity of school teachers for a time had a proud member; and the employers' fraternity has a man who must wear himself out, I suppose, in the condition in which he now finds himself. But the employer to-day could give me opportunities that then were absolutely impossible for me. I could

have found to-day something that probably would have given me a good situation and saved my life, and would have been very different from the slavery of the plow-handle. There was no factory law; there was no child-labor committee; there was nothing but the love of the home to mitigate the burden of the labor that began all the year round with the sunrise and closed with the sunset. I say the employer is responsible for the development of the modern manufacturing methods that make it possible for young people, when they must work, to do so under proper conditions as to light and heat and the purity of atmosphere and comfort and convenience — the employer is responsible, it may be at the prod of public demand, but he is responsible for adapting these ways of self-support to modern conditions.

REASONS FOR JUVENILE LABOR.

I ought to say — the time warns me soon to stop — one or two things about what seems to be an inscrutable problem to people not in close touch with the conditions: and that is about the reason why there is juvenile labor at all in factories. I suppose most people think that the reason these children of fourteen years old and above are used in factories is because they are cheaper than adults. That may be; but do you know the reason why girls do the counting of money in the United States Treasury? Of course you do. Because there is no one else that has the deftness of girls. You may give a man an education until he is twenty-five, thirty-five, or forty-five and put him at that business; the girl will distance him, and in competition force him out.

Now it is that natural deftness of handling fine fibers as machine tenders that gives employment to these young people. I could not do their work; you could not do their work; but the deftness of these juveniles makes them especially fitted for the business. No adults ever will be able to supply the place for certain lines of work because they will never have that qualification. The line of business in which I belong is the largest employer, in manufacturing lines, using what you call juvenile labor, in the city of Philadelphia; and I can say that a fair average is represented possibly by what I know, and that is, 80 people between fourteen and sixteen out of 650 to 700, doing work largely in a better way than it could be done by older hands.

THE AGE LIMIT AND HOURS OF LABOR.

It may be now a little wide of the subject; but I should like to speak of the relation of the employer to the age limit; and I beg you to dismiss from your minds the thought that the manufacturer is an impediment in the way of raising the age limit.

The first resolution passed in any official body for raising the

age limit in this State from thirteen to fourteen was passed in 1903, by the Worsted Spinners' Association of Philadelphia, asking the Legislature that the age limit might be raised from thirteen to fourteen; and the manufacturers of Philadelphia were honest supporters of that movement at the last meeting of the Legislature, and they stand to-day ready to do whatever any other class of citizens will do and pay for in the furthering of movements of the same kind.

As to the shorter hours, it may not have occurred to you that in the competition of States, where the same product is made, the only fair proposition is to have the laws that make the labor hours in these States alike; otherwise, if Massachusetts' hours are fifty-eight in the week and New Jersey's sixty in the week and Pennsylvania's fifty-nine in the week, you can see somebody is at a disadvantage in the competition.

Now the present situation is that the law of Massachusetts and the law of Rhode Island prescribe fifty-eight hours — set fifty-eight hours as the limit; the law of New Jersey some years ago set fifty-five hours as the limit; and meantime the constitutionality of the law was called in question; and pending the settlement of the question (this has been going on for several years), the manufacturers of New Jersey run their factories sixty hours a week. The limit in Pennsylvania at the present time is sixty hours a week; but there are a great many people in Philadelphia (and I am glad to be one of them) whose factories are running only fifty-seven hours a week, of the manufacturers' own volition, and they have not waited for any pressure to be put on the Legislature to reduce the time below the sixty hours. There are no stronger advocates before the legislative committees to-day for the reduction of the time in Pennsylvania to fifty-eight hours than are the manufacturers of Philadelphia; and when Massachusetts, New York, Rhode Island, New Jersey, and the other States that make like products, reduce to fifty-five hours, I think there will be no question but that the people in Pennsylvania will be perfectly willing to join in the procession.

UNFAIR DISCRIMINATION AGAINST THE TEXTILE TRADES.

Now have you noticed (and this is about the only other thing that I shall ask you to think of) that in the legislation for the proper regulation of the working hours of women and children there is a discrimination that is very remarkable? The United States Census of 1900 states that in agricultural pursuits there were 1,054,000 people under sixteen years of age at work. As servants and waiters there were 138,000; as errand boys and office girls there were 42,000; in the cotton mills there were 42,000. In all of the other textile operations, including the woolen mills, there were 35,070; and there is no law anywhere in the United States that touches these agricultural occupations, while in many

of the States the laws are indefinite or wanting as to the occupation of these office boys; and as to the servants and waiters, I believe there are no laws anywhere that limit their hours. Now in this collection of textile operatives, 35,070 in the whole United States, that are under sixteen, there were 20,000 that were fifteen years; and 10,300 fourteen years old; and the number working that were under fourteen years of age was 4770, exclusive of the cotton operatives, in the whole United States. Now may I go a little further? Of these 4770, 87 were seamstresses, and 1792 were in tailors' shops and with tailoresses; 618 of them were with dressmakers; and 260 of them were with milliners. That is, 2760 were thus occupied, leaving a total of 2010 in the other textile occupations outside of cotton, under fourteen years.

Now I say I am in sympathy with the movements that properly regulate child labor; but until some discriminating judgment is applied to the settlement of the condition I protest against making the employer in textile industries the principal culprit. I think I have a right to make the protest.

After all, the great question before you is, how the work of the world shall be regulated and managed for the good of society with the least possible detriment to the education of those who have the natural capacity for the best kind of an education. Now I don't know whether we are any nearer to the settlement of that question, reduced to its lowest terms, than we were when the evening opened. I am perfectly willing that the manufacturer shall accept whatever responsibility may belong to him; but he doesn't want to be saddled with the responsibility that belongs to everybody else.

THE BRADFORD REVIEW OF 1907.

THE "Yorkshire Observer's" review of the past twelve months is at hand. Like its numerous predecessors it is a comprehensive, instructive, and interesting record of the happenings of the year, and we gladly give space for many extracts which we consider of the most importance for our readers.

The close connection between all commercial countries and the wide influence financial disturbances in this comparatively new country may have upon the trade of other nations in this twentieth century is shown by the effects of our "flurry" during the past autumn, from which, unfortunately, we have not yet entirely recovered. Indeed, it has been stated by officials connected with one of the largest companies manufacturing textile machinery that at this writing they have not received orders

enough since the depression to keep the plant running fifteen minutes and that they expect this year to be a lean one.

In considering the "financial crisis precipitated by America" the review records how the bank rate was driven up in England and on the Continent by our "thirst for gold" and the ordinary course of business was brought to "something like a full stop." "Of buying," it states, "there has been almost a complete cessation during the past month or six weeks." While large numbers of hands were thrown out of employment, the reviewer is in error when he writes that "some very big concerns, notably the Arlington Mills, are reported to be shut down altogether." While it is true that in certain departments of the Arlington Mills some machinery was idle for a time, neither the entire plant nor a single department was at any time "shut down."

"America's trouble," the reviewer thinks, has been "overprosperity." After alluding to the hoarding of money by individuals and the banks themselves, which began after the insurance scandals several years ago, the review proceeds: "No wonder the gold stream set strongly westward across the Atlantic. Vast as has been the gold output of recent years it is, of course, utterly and absurdly inadequate for the conduct of the world's commerce as soon as credit is destroyed. And the task that the American people must undertake is to work out their own salvation by restoring their own credit—no one else can do it for them. It is a stupendous task and will not be accomplished in a few weeks. Some of the best American authorities do not look for any until the harvesting of next year's crop supplies the impulse."

The reviewer intimates that signs of a coming storm were accumulating for several years and he does not share the optimism of his fellow countrymen who believe if the rates for money would come down that they themselves would "go on again all right." To support his doubts he cites the largely increased exports of wool manufactures by Great Britain within the past six years, during which period they have increased about 50 per cent from £11,770,000 in 1901 to £17,730,000 in 1907. A portion of this is due to increased prices but not less than 35 per cent to increased volume. As to the future he writes:

And granted that five or six years ago the "cupboard was bare," and that the world has been prospering and developing

amazingly in the interim, it is still obvious that our shipments have increased at a greater rate than the world's population or capacity to pay for them. And it must be remembered that this table only refers to wool goods. Other tables might be constructed showing somewhat similar results as regards cotton, iron, and other manufactures. And, although we are still the biggest shippers in the world, other countries have been doing big export business. Hence it is not surprising to read in regard to one market after another that they are choked with goods, that go-downs and warehouses are full, and that in some quarters there is reckless slaughtering.

As to the policy to be pursued by cautious men, the reviewer gives the following excellent advice:

It is not always the unexpected that happens. When most people are down in the dumps they are going to have a sorry time in all likelihood. But such factors as we have set forth need not throw men into the dumps. The sky has not fallen yet. Fish are caught in foul weather as well as in fair. And the worsted trade has flourished when prices were low. Low prices need not mean vanishing profits. Some curtailment of production for a while there must be — until stocks abroad are cleared out of the way — but if each one will accept his share of the lessened turnover and be content to do that share, instead of trying to make "the other fellow" carry the loss for both, the business may still be done at a profit. It is almost a demonstrable theorem that very good trade is not more than 10 per cent in volume above the average, and that very bad trade is not more than 10 per cent below it. Profits, however, are apt to disappear altogether in the insane competition to keep everything going, without regard to whether the price leaves a margin or not. And there are always some who do not lose their heads with the crowd. They know that the time to buy is when others are afraid lest they should miss the rock-bottom and that the time to sell is when others hang on for a still further advance. Rosalind's advice to Phebe was:

"Sell when you can: you are not for all markets," and it is a sound business axiom. The world's requirements for wool have had to be met by substitutes of cotton and shoddy, because the demand having outgrown the supply the price put wool out of reach. The supply has not yet overtaken the legitimate demand at low prices. A temporary glut of goods will soon disappear, and there is no glut of the raw material in sight yet. With coolness and courage there is nothing in the situation to fear. If we have peace, the development of this old world of ours is going on so fast that this depression may pass sooner than some folks imagine.

The quantity of wool retained for consumption was 429,000,000 pounds, more than 29,000,000 pounds in excess of the quantity retained in 1901, which was the greatest quantity for ten years, the trade never before having had so much wool available.

"The tendency of fashion noticed a year ago, to favor finer makes of cloth," the review says, "has been felt more and more as the year progressed." This affected the market for medium and strong crossbreds, which was of a dragging character except at intervals. Attention is called to a fact which we tried to make clear in our "Wool Review," that wool-growers have profited much more during recent years than wool-buyers. From the "Observer's" review we quote:

To wool-growers, whether at home or abroad, the last three or four years must have been highly satisfactory; but this has not been the case with the wool man who has to buy to sell again. This year the English buyers were determined that they would not repeat the previous year's mistake of paying twopence a pound too much for the wool. It was very difficult to convince the farmer that he could not expect last year's price or that if he did expect it he was certain to be disappointed. But the absence of any American commissions and the attitude of the trade in declining to buy unless they could do so with some prospect of getting their own back, finally prevailed, and most of the English clip was bought reasonably. During July, August, and September staplers sold very freely and they were helped by a fair American demand, but the prices made were merely such as left a small working profit. Since October the market has been quiet, prices drooped slowly and latterly have dropped a good penny for all halfbreds, Shropshires, and strong wools.

Although the financial depression affected the textile industry tremendously in the last few months of 1907, the value of wool imported by the United States from Great Britain was actually larger in 1907 than in 1906; and this applies to foreign and colonial wools as well as to British grown wools. Those imported from Bradford were not far short of the two preceding years, especially when a ten months' comparison is made. On this subject and conditions which may influence prices the review writes:

But American buyers are erratic. Sometimes they buy at clip time against us, and send up prices with a whiz; this year they waited until it was over. Last month, the month of crisis, saw the exports from Bradford cut off, as it were, with a knife. Some time next year America will want what it is not taking

now, for the American "domestic" clip is not now equal to supplying much more than half the requirements of the American manufacturers in an average year. And so far this season America has bought next to nothing in Australia or New Zealand.

As regards the prospects for the future little can be said with any certainty. We finish the year with the 60's top at 2s. 2½d. and the 40's at 13d. per lb. Where will they be at the close of next year, and what will they touch in the meantime? These are the questions that men are asking on every hand, without getting an intelligent answer. One or two facts, however, stand out pretty clearly. The exports of woolen and worsted goods and yarns have been without precedent. Our consumption of wool has been phenomenal. But the export of goods has filled up the markets abroad and the stock of wool on hand after all is no doubt larger than it has been since the years of famine set in. With a restricted consumption due to the financial set-back of the past two months, and the over-trading revealed as having occurred in the shipping trade, it will be exceedingly difficult to prevent prices from slipping back. On the other hand, the outlook for the Bradford trade proper is not bad. For four years our manufacturers have been badly handicapped with dear wool. The woolen manufacturers have taken full advantage of their opportunity, though it is safe to say that they have used quite as much more cotton as they have used wool over the quantity required to do the trade they did in 1903. But a large slice of Bradford's bread-and-butter trade was lost, and our manufacturers have had to look elsewhere for work to keep looms going. With crossbreds at a handy price once more, there are opportunities open which have been closed for a long time. The old all-wool serge trade may not come back, perhaps, but low-priced worsted cloths in some form will have a better chance against shoddy. Anyhow, we are not bunged up with wool as we were ten or eleven years ago, and the world's requirements have gone ahead tremendously since then.

MOHAIR.

Of mohair, the review says, "another disappointing year has fallen to the lot of the mohair men. Never before has mohair been imported in such quantities. And, although the consumption of mohair has also probably been larger than ever, it is clear that production of the raw material is quite on the top of the demand. Hence the importers have had no chances of making profits." Alpaca was in demand during the year, this country getting a full share of the year's production. "America," the review says, "which has got into the bold, bad way of importing

alpaca direct, instead of buying it in Liverpool, has taken the cream, and really good quality stuff has been scarce and dear."

YARNS.

Under this title the review records the fact that the spinner, "after a miserably long spell of small margins," was able last year to do better and "had something for his labor besides the pleasure of working." It concludes that "for the spinner the year that is just over has been better than any since the fatal 1899." It continues:

The "boom" we had then, which was so much talked about at the time, had such a miserable collapse and such a lengthened and disastrous result on the confidence of the textile community that we have been afraid of using the word since. But certainly if bulk of business and high prices in general can make a boom, we have had one this year. It is doubtful if ever the amount of money turned over in the textile world in one year has beaten 1907. Not only have 2-40's worsted touched about the highest point — having gone steadily up from 1s. 2d. some years ago over 2s. 2d. this year — but other sorts have been high also; for the 2-12's which were to be had at 9½d. some six years since have sold at about 1s. 7½d., or just over 100 per cent up.

And a similar though less pronounced state of things has prevailed as regards quite other sorts of yarn. A 2-16's camel hair that could once be made at 1s. 8d. per lb. has been up to 2s. 3d.; whilst the 2-40's white botany, which shot up to 3s. in 1900, and then came down to 2s. a year later, have gradually mounted to 2s. 8d. per lb.

But whilst the business done this year has on the whole been lucrative, there remains a very considerable deduction to be made on account of the speculative sales of the autumn of 1906. The autumn months of that year saw some very heavy selling, both in tops and yarn for forward delivery and, in the mistaken anticipation of a drop in 1907, some painfully low prices were accepted. Our astute continental friends took very full advantage of these low prices, and in many cases covered their requirements for fully half a year in advance. By the end of January it became manifest how wisely they had acted — and the unhappy Yorkshire topmaker and yarn merchant were confronted by the fact that orders taken must be delivered. This meant in some cases a loss of nearly 3d. per lb. on the price of the day, and as the class of yarn chiefly concerned (2/40's worsted and such-like yarns) stubbornly declined to come down — and, on the contrary, persisted in going up farthing by farthing — the speculating merchant realized that he was in for a bad time.

And unfortunately the margin of profit is usually so meager that it can more easily be reckoned per bale than per pound, so there was nothing to fall back upon — and the merchant had the melancholy satisfaction at length of being able to reckon the difference between cost and sale price by something more palpable than a vulgar fraction.

We fear that this fact has taken a bit of the gilt off the 1907 gingerbread, but it will not be without its redeeming feature if it results in deterring merchants from such risky speculations in the future. These gambling ventures do immense harm to the general trade, and tend to utterly spoil a regular, steady, and legitimate business.

ADULTERATIONS.

This Bulletin has more than once argued that much of what the American manufacturer knows about adulterations of woollens he learned from his European rivals during the time of the Wilson bill. What our manufacturers know even now is slight compared with the wide knowledge of such matters possessed by British manufacturers. That they are continually adapting their products to the demands of the trade is shown by the following extract concerning the methods resorted to by the hosiery makers and the success attending their efforts. The review says :

This craze for the lowest possible price is also responsible for the fact that in the hosiery trade there has been a considerable run on what are technically called “cordons,” *i.e.*, yarns composed of a thick cotton thread twisted into a twofold with a finer spun worsted. The hosiery manufacturers of the Leicester and Nottingham districts have now become such adepts at the art of making the best of things (in one sense) that they are able to get up these mixed cotton and wool fabrics to feel and appear really wonderfully well — and it would take an expert to detect the fact that the major part of the fabric had originally grown on a tree and not on a sheep's back.

The general level of prices per pound of worsted yarn exported was high, it being full twenty years since the average value was “anywhere near so high.” A comparison between prices in 1904, 1905, 1906, and the past year shows the striking advances made. In 1904 the average value was 1s. 6½d., in 1905 it was 1s. 8½d., in 1906 it was nearly 1s. 11½d., and in 1907 the average, roughly, was 2s. ¾d.

PRICES.

After noting the difference between the home and foreign markets in 1907 — the position of 1906 when the lower market was not good and the foreign market excellent being now reversed — the reviewer writes respecting the styles of the year as follows :

The bulk of the trade has been done in plain makes such as cheviots, friezes, diagonals, and herring-bones. The range of colors has been restricted practically to green (which has had the predominance), a so-called wine shade, brown, navy and black. For the autumn trade cheviots were done largely in heather mixture shades. Satin amazons have fallen behind slightly on account of the competition of cheviots. In high-class fabrics a good trade has been done in makes of which the "Pannanette" cloth is a type. These are fabrics made from fine botany wools, very soft in texture, and dyed in brilliant colors. Cotton warp cashmeres have again sold in large quantities, and manufacturers have also been turning their attention to cotton warp serges, which are dyed in fast colors, and are almost equal in appearance to the all-wool article. Latterly there have been distinct signs of a revival of the old crossbred serge trade in wider twills, to which the fall in the price of wool should give a decided impetus. The blouse trade has fallen away, and, curiously enough, the skirt trade with it. Apparently more dresses are being worn of which the bodice and the skirt are of the same material, and the skirt maker who is not also a costume maker is finding his business unpleasantly affected. This, it should be noted, is a tendency which is distinctly in favor of the Bradford trade.

Although the bright goods trade makes marked progress the long-looked-for boom is apparently as far off as ever. The truth is that mohair dresses are not for the million. For expensive fabrics there is always a chance, and the stylish things that are being turned out now are doing very well, but for the woman who wants a cheap dress for daily wear mohair offers few attractions. At the beginning of the year business was considerably hampered by an advance in the price of cotton warps, which in some lines added as much as 5s. to the cost of the piece. Mohair itself has remained fairly steady, although the price is rather too high for the convenience of the trade. An increasing business is being done in bright goods with the Continent, and the South American demand for blacks for men's wear has also proved very helpful. Another new outlet has been provided by the use of cream and white Sicilians for casement cloths. For ladies' motoring costumes no more serviceable article than the cream Sicilian is made. The dust can be shaken out in a minute, and it will wash like a piece of cotton. Formerly the objection to

mohair as a dress fabric was that it was too stiff and wiry. That defect has now been overcome, and some beautifully soft cloths are being turned out which drape as well as wool. The result is obtained by an ingenious combination of processes in the manufacturing and finishing, and the Bradford Dyers' Association have laid themselves out to make a specialty of these lines. Their chiffon finish, which is applied to plain cloths, cloths in two colors, and stripe effects, yields the fine, soft lustrous fabrics which dressmakers have been demanding for the last ten years. Moreover, the cloths so treated can be exposed to the rain for an indefinite period, and will not shrink, cockle, or spot. A cloth that is selling well for next spring is the Shantung, which is a mixture of mohair and botany wool, and is dyed in a beautiful range of light shades, including biscuit and delicate blues and greens. The Pekin, a shadowy sort of stripe obtained by throwing up the warp, has also had a good run. Already more mohairs have been sold for the spring in the home trade than at any time during the last three years. So far, however, it is almost wholly a high-class trade.

Owing to the continued dearness of wool Bradford goods have again had to meet the competition of all kinds of cheap substitutes, and to maintain his ground the Bradford manufacturer has been driven more and more to rely on superiority of style. It is little use raising the price of an ordinary cloth to meet an advance in the price of materials. If the buyer does not see his departmental profit in it he throws it out without compunction. A proof of the improving quality of the general run of Bradford goods is to be seen in the increased consumption of twofold weft yarns, which has probably never been so large in the history of the trade as during the past year. In the low trade tweeds have been largely replaced by dyed Leeds stuffs — meltons, amazons, and habit cloths, which undoubtedly give the impression of being splendid value for the money. The mills of Yeadon and Guiseley and the Colne Valley, where the low tweeds are made, have been well employed, but not so phenomenally busy as last year and the year before. Some remarkably cheap things are being turned out in shoddy cheviots, and the Germans have been sending to this country large quantities of printed cotton Winceys, which are being made into cheap skirts and petticoats.

The situation in the various countries to which Great Britain sends her exports is discussed thoroughly, and the conclusion is reached that wherever one turns "the tale is pretty much the same — expansion too rapid to be sound, leading to glutted markets and a slow, painful process of liquidation." The outlook for 1908 is not considered bright, and "it is no comfort to know that manufacturers who have hitherto been making goods for export will

soon be competing for a share of a possibly restricted home trade." Some of the difficulties of manufacturing exclusively for the foreign trade — and that it is not possible now to succeed by sending into foreign countries simply surplus stock is generally conceded — are pointed out by calling attention to the speculation and over-stocking which are to be found in Argentina, especially in Buenos Aires, in Brazil, and in Chile, where there is the complication of a "rotten exchange."

In commenting on the decrease of business with the United States since November, the "Observer" says:

Although in the United States confidence in the position of textiles is very strong — stronger perhaps than it is here — the seriousness of the present situation is that stocks are now being accumulated which will have to be got rid of when trade resumes its normal course before any further buying takes place. Before the crisis every one in the American trade was expecting another good year. It looks now as if a whole season will be lost at least, and how much more no one can say.

Even few of the European countries — to which some of our free wool and free trade friends assure us the manufacturers of this country can export quantities of our manufactures — are acknowledged to be now "of any account." The reasons are given in the following paragraph:

In Holland English goods still maintain their position with the big houses, even against the competition of the Belgians and the Germans, because the latter will sell to anybody, down to the smallest draper, and the big houses naturally find it more profitable to deal in things which are not hawked round to their own customers. Nevertheless, into the general trade of Holland the Belgians and Germans are making big inroads, and that country is no longer the good customer of Bradford that it once was. In Belgium, which after Holland was formerly the nearest approach in Europe to a free-trade market, an increased duty comes into force in the coming year on fabrics weighing under 200 grammes to the square meter, to protect the manufacturers of the Dinant district, who can now turn out these light fabrics, either in all wool or cotton-warp goods, very well. The cotton voile trade with Spain has gone the same way. Formerly it was a large business, but the Spanish manufacturers have learned to make cotton voiles themselves, and the English fabrics have been ousted.

THE WOOL HARVEST.

SHEARING TIME IN AUSTRALIA.—DESCRIPTION OF THE WORK.

THE following interesting story of the gathering of the wool harvest in Australia is taken from "Dalgety's Review ":

Of the many stirring occasions on a station there is none that causes so much excitement and bustle as shearing time. It is shared by one and all of the permanent hands, from the manager to the horseboy, and as the time for getting ready to commence draws near, each and every one is hard at work. The manager is the first to catch the fever. For weeks previously he has been mapping out his plans, and letters embodying his intentions are passing regularly through the mail to his principal, asking for confirmation of his proposed actions and plans for carrying out the work successfully. Instructions referring to the disposal of wool and financial arrangements come back in return, which are carefully noted for reference when once the work is fairly started. The manager and bookkeeper put in many a weary hour making up the shearing order, which on many of the large stations is an important one, containing all rations, shearing requisites, cooking utensils, camping outfits, saddlery, etc., and is no easy task or one that can be done in an hour. It has to be gone into very carefully with the idea of having plenty of everything to go through the shearing, but not too much of any particular article left which would possibly have to be held until next shearing before it could be sold or utilized.

PRELIMINARY ARRANGEMENTS.

Careful calculations are made of the estimated number of sheep to be shorn, and the estimated quantity of wool they will yield, and the number of woolpacks required to hold it. The last order has to be carefully calculated, as on the number ordered does the principal calculate the estimated net return of the wool, basing his calculations on the then ruling value. Consultations take place between the manager and overseer as to the order in which the sheep are to be shorn, and, when shorn, which paddocks they are to be put into: also as to the number of sheep that will be required weekly, provided fine weather is experienced during the shearing. These averages have for the most part to be made on the understanding that the sheep are going to cut well and that the shearers coming to you are a fairly even team of men. Many of them probably have not shorn for you before, but having sent first-class references have been given stands and are generally put down as good average tally-men. The class of sheep to be shorn is, of course, the great factor in the tallies expected to be cut; if the ewes are in the majority it

will mean a good tally, while if the wethers are in great number it will be the reverse; of course condition of sheep and condition of wool must both be taken into consideration: the poorer the sheep the more difficult for the shearer to shear and the slower he will be over them. Machines are very difficult to use on poor sheep, nothing being so good for speed to the machine as a nice level surface.

A GENERAL OVERHAUL.

The sheep program having been arranged satisfactorily, the sheep are prepared for shearing by the overseer; all the different classes and sexes of sheep are put together, hoggets sexed, and those to be shorn first are moved up close to the shearing shed. That building is now overhauled, wool bins being erected for the different classes of wool, the shearing floor cleaned and done up, and all gates, rails, etc., put in good condition ready for receiving sheep. Huts for the shearers, rouseabouts, etc., galleys for the cooks to cook in, and quarters for the shed overseer, wool-classer, jackeroo, etc., are overhauled and cleaned out, and by the day shearing is to commence everything is in thorough order. Stores, shearing requisites and cooking utensils have by this time arrived, been unpacked, and the former two lots placed in the store in charge of a storekeeper; the latter, the utensils, being divided amongst the cooks of the various classes of labor. In the last two preceding days, laborers, shearers, rouseabouts, etc., have been arriving from near and far, and as the time for calling the roll approaches, all those that have been promised employment have put in an appearance and have reported themselves to the manager or his representative. The methods of transportation are many — from the springcart tilted over, belonging to the married man, to the bicycle of the single shearer. Some have horses, others bicycles, others sulkies, and many on foot. Frequent are the discussions as to which is the best method of traveling: the horseman looks with contempt on the man with the bicycle, and avers it is always going wrong; the footman says the horseman does a day's work on foot looking for his horses in the morning, and loses them in drought time by starvation; and the man with a dray or springcart states his is the only comfortable method of locomotion; but lately, during these seasons of drought, the bicycle seems to have become by far the most popular.

The shearers, being contract men, are allowed to select their own cook, and when the majority of them have arrived they call for nominations for the position; the cooks present who wish for the position hand their names in, and a ballot takes place, and the successful man immediately prepares to commence work.

COMMENCEMENT OF WORK.

The eventful day arrives, and all is bustle. By this time all the cooks are hard at it, each cooking for his own lot of men; shearers are busy grinding their shears, or, if a machine shed, grinding their combs and cutters. The roll having been called the previous day and the shearing stands drawn for by the shearers, all hands go to the shed, which is now filled with sheep, the shearers take their places, rouseabouts are placed in the positions allotted to them, the bell rings to commence, and shearing has started. The shed overseer and wool-classer for the first hour or so are kept busy getting their men into the style of work they wish them to do, giving instructions to any of the hands new at the work, or to others who have not learnt to do the work properly. As a rule the shed overseer has under him the yard men, penners-up and pickers-up; while the wool-classer has control of the wool rollers, piece-pickers, sweepers, and wool pressers, and each of them has a busy time at the start, getting his men into carrying out the work in the way in which he wishes it done. The shearer has to be constantly watched to see that he is shearing the sheep closely and that he does not cut the sheep or chop the wool about, and that he trims all the points thoroughly before he lets the sheep go. After the sheep is shorn the wool is carefully picked up by the picker-up, carried down to the wool tables, and cast on to one of them in a manner similar to that of spreading a sheaf. The wool rollers now carefully go round the fleece, skirting off all the seedy portions and stained wool, which they hand to the piece-pickers, who in their turn take the stained wool away and separate the free wool into two classes of first and second quality. The main fleece is then rolled by the rollers, after they have skirted it, and handed back to the wool-classer, who, after stapling and examining it for strength and quality, places it into the class to which it belongs. When the bins of wool are getting full, the wool pressers commence operations, carrying large armfuls to the press, throwing it in and tramping it until it is filled up; then the lid of the press is put on and the bale is pressed down, sewn and rolled out to be weighed and branded before going on by the team to the nearest railway. If the shed be a large one, the press is generally driven by some power, but if a small one it is pressed down by levers and geared wheels which give two men enormous leverage, quite sufficient to press the contents into an exceedingly small space.

MACHINE V. HAND-SHEARING.

In a shearing shed fitted with machines the whirring of the machinery seems to give every one an idea that they must move as quickly as possible, and each and every one seems going from start to finish as hard as possible. On the other hand, in the

hand shearing shed the monotonous click, click, click of the blades closing gives you an idea of a great clock moving quietly along, and all the hands seem to work with a slow, steady stroke. The great advantage of machines over hand shears is apparent to a new chum. The sheep are more evenly shorn, with greater speed, the fleece more evenly taken off and less cuts than with the hand shears. The gain in the first year by using them is a large one, and in the opinion of most practical graziers the succeeding clips are equal, if not greater, than the ordinary clip by the hand shears. The average tally of the machine shearers is larger, consequently fewer shearers and smaller sheds are required. The fleece is less cut about, and the sheep itself presents a cleaner and neater appearance than when hand shorn. The only claim that can be made in favor of hand shears is that the expert labor necessary to the successful running of machines is not required, and that you have not the wear and tear of machinery or duplicates to find. However, the objection is fast disappearing, and the machines are gaining ground rapidly, and those that have not the machines will have them in the course of a few years.

THE WOOL-CLASSER'S POSITION.

One of the most important men in a shed is the wool-classer, and if he be a good one he will control the whole of the wool department, from the time the wool reaches the hands of the pickers-up until it is loaded into the wool press and pressed into carefully-packed bales, neatly sewn and branded. His duty is to generally take charge of the wool from the moment it falls off the sheep until it is safely in the bale ready to go on the team either to market direct or to the woolscour. On his judgment and report, as a rule, is the decision arrived at as to the quantity to go to the scour or in the grease direct to the market. The decision as to the treatment of wool depends a great deal on the season; if it has been a bad season and the ground loose and dusty and the grass poor, the wool will be badly grown, wasty, and contain a large amount of dirt; consequently a large portion, if not the whole of the clip may go to the scour for treatment, or, on the other hand, when the wool is in good condition, free from dust and bright in color, the majority goes in the grease to market, perhaps only the lower classes, stained pieces, and locks being scoured. On some stations the whole clip is scoured every year; on others it is all sent in the grease no matter what the condition of the wool, it being simply a matter of opinion of the owners, each thinking his method of placing the wool on the market the more remunerative.

COMMISSARIAT DEPARTMENT.

A visit to the galleys or cooking places is worth paying, and we shall endeavor to describe the shearers' galley, at which, as a rule, the best cooks preside. Taking into consideration the num-

ber of men they have to cook for, the number of meals and smoke-ho's they have to provide, and the limited conveniences they have at hand, it is simply amazing how they get through. In a shed of sixty shearers, the cook will have two assistants or offsidars, who will do the washing-up, cleaning vegetables, and attend to the men, while he simply prepares the dishes and gets them ready for cooking. The shearers, being contract men, are allowed to select their own cook, and consequently they will have nothing but the best. Having command of every possible material, it is only to be expected the cook will keep a good table, and if he fails he is soon replaced. Everything in the galley and eating-house is kept clean and free from dirt, and the tables and cooking utensils scrubbed and polished regularly. Huge joints and rounds of meat, loaves of bread equal to that of any town baker, trays of brownie or cakes, dishes of puddings and pastry, and large urns of tea are placed on the table in a neat manner, and the meal is ready. The shearers, after their work, sit down with a keen appetite, and do justice to a meal that would not shame a first-class hotel. The ovens are immense buildings of stone or brick, capable of retaining heat for many hours after the fire is drawn, and capable of holding numerous joints of meat, loaves of bread, and trays of cake at the one time; and the handling of them is simply perfection, joints, bread, cake, and fancy dishes of all kinds being drawn out in a seemingly endless supply, cooked to a nicety, as if it were done by a "chef" in a first-class stove of the latest pattern.

At the termination of the shearing the bookkeeper has a busy time getting ready for the settling-up. Accounts are all made up on the last day, the tallies for that day having been given in as soon as the last sheep is shorn. Each individual has his account called over to him, including his list of advances and goods got from the store, and a cheque is handed him for the balance. One after another they pass into the office, some accepting payment without comment, others disputing their accounts, but none coming with their accounts made up ready to check. Swags are now rolled, horses caught, bicycles got ready, and the men depart one by one, or in small parties. The last of the wool is now loaded on to the teams, cooking utensils and balance of stores loaded on drays for the head station, the huts are closed up securely, and once more the shed is deserted; the string of departing men and teams being the prelude to the melancholy look which the place assumes after such a busy and stirring time.

CONTRACT SHEARING.

As the practice of contract shearing has created some discussion lately, it may be of interest if it is referred to. A great prejudice exists, or did exist, against contract shearing, many asserting that it took the control of shearing out of your own

hands, and also that if the contractor made a profit out of it, which he undoubtedly does, or should do, why should not the grazier have that profit? Such an opinion is wrong, inasmuch that the contractor is subservient to the employer or his agent (generally the manager of the station whose sheep are being shorn), and his word is law as if he were personally conducting the shearing. A clause is in the agreement that shearing in all details must be carried out to the satisfaction of the employer or his agent, and giving him power to terminate the agreement the moment he considers the agreement is not being carried out properly. Consequently the power still remains in the hands of the employer as if he were conducting the shearing personally. Regarding the second objection as to profit, the contractor argues that his profit is simply made by employing the best and fastest of all labor, and thus getting through the work in the shortest time possible. Having probably a run of three or four sheds in rotation, which may keep the hands employed for some four months, instead of in the case of a station perhaps that number of weeks, he commands the best and fastest workmen, who go from one shed to the other in good trim for work — their hands and machines in first-class order; and being good men they do a big tally from the commencement of the shed, and consequently the sheds cut out quickly at a good profit to the contractor. To be successful he must do good tallies and good work, and having the pick of men he does this at a profit to himself and at no greater cost and much advantage to the owner of the station, who gets the shearing through with no friction and in a short time.

In the writer's opinion, which is the outcome of years of careful study, machine shearing is the best and most humane way of shearing sheep, and contract shearing is a capital way of getting the work done. Though we may say it is only in its infancy, it has certainly come to stay, and it will in course of time relieve the manager from one of his greatest worries, and give him more time to look after the ordinary station work, which at that period of the year is generally neglected. During this recent period of drought contracting firms with traveling plants were a great boon to the graziers, and many a station experienced great benefit and a handsome financial return from the small but useful shearing plant. It can be erected anywhere, and the work, as far as shearing the sheep is concerned, can be done as well by it as if the largest and best-appointed shearing shed were on the ground. The only point where it is deficient is in the lack of accommodation and conveniences for handling the wool, which in bad seasons (the time when these plants are most availed of) is generally so very uneven that it requires convenience and plenty of accommodation to handle it properly. These traveling plants, being made for shifting from place to place speedily, can be taken down, loaded on to a wagon, taken twenty or twenty-

five miles and reërected within forty-eight hours. As speed is the great consideration in shearing, especially in a dry season, these plants are of great value to the grazier, who by stress of season is forced to shear his sheep on any part of the run where it is convenient to muster them.

CONCLUSION.

There are, of course, many reforms that can be suggested in the traveling plants and many in the well-appointed station shed also. Mention has been made of lack of convenience and accommodation for handling the wool in the traveling sheep-shearing plant, and it is without doubt a serious defect; but the nature of the work it is intended for makes it necessary to have the plant as small and light as possible, consequently we cannot expect too much. In many of the large sheds where the conveniences have been all that could be desired, the fault is found of employing too small a supply of labor, and that of an inferior class; men utterly deficient in experience of handling wool are very noticeable, and the lower grades of the wool, and even the fleece itself, gets bad treatment. A great improvement could be made in employing additional labor and of a selected class, and a great gain to the owner would result if that were arranged. As regards machine shearing, no great improvement can be suggested; given the men, good machinery and machines, it follows you will get your sheep well shorn. As regards hand shearing, it is behind the times, and in a very few years the hand shearer will be a man of the past and only remembered as one who played an important part in gathering the golden fleece of former years. In his day he was a useful man, but, like all things, his day has passed and he has to give way to the advance of civilization and humanity.

A CONVENTION ON INDUSTRIAL EDUCATION.

THE agitation of the past few years for industrial training in the United States is beginning to bear fruit. The following article taken from "The Outlook" of February 8, 1908, is so good a condensation of the proceedings of the first convention of the National Society for the Promotion of Industrial Education that we print it in its entirety. It said:

The National Society for the Promotion of Industrial Education was organized at a gathering in New York City November 16, 1906. The first annual convention of the society was held recently in Chicago. The sessions opened with a dinner at the Auditorium Hotel January 23, at which the speakers were President Charles W. Eliot, of Harvard University, Mr. James

W. Van Cleave, of St. Louis, President of the National Association of Manufacturers, and Dr. Henry S. Pritchett, President of the Carnegie Foundation for the Advancement of Teaching. The aims of the society, as stated by Dr. Pritchett, its president, are: (1) To examine and report upon conditions in respect to industrial training in this country, and to compare them with those prevailing abroad; (2) to recommend types of model trade schools adapted to the needs of particular communities; (3) to propose methods by which these trade schools may be articulated with the existing system of public education. Among the startling statements at the convention was one to the effect that fifty-five per cent of the boys in Berlin between the ages of fourteen and sixteen are in industrial schools, while in Chicago less than one-tenth of one per cent are being so trained. "Germany," it was said, "trains its youth for a vocation; the United States trains its youth for a job." Bavaria, with a population not much greater than that of New York City, has two hundred and ninety trade schools, giving instruction night and day in twenty-eight trades and crafts. This is a larger number of trade schools than is to be found throughout the whole United States. President Eliot quoted the figures collected by the Massachusetts Commission on Industrial and Technical Education, showing that twenty-five thousand children in that Commonwealth were engaged in trifling occupations that fail to promote skill or advancement, or to prepare for more useful manhood. Three elements in the community are operating from different directions to bring about the introduction of industrial training: the manufacturer, who sees commercial supremacy passing from America into the hands of technically trained nations; the educator, who has begun to realize the inherent defects of an exclusively bookish school; and the workers themselves, who are demanding an education suited to their economic needs, but so safeguarded as not to menace the advantages gained through organization. These three elements were represented in varying proportions in the attendance and in the addresses of the convention. Mr. Milton P. Higgins, a Worcester manufacturer, criticised prevailing trade schools as being "schools with a shop attached," whereas they should be the reverse. Instead of being conducted by educators and dominated by educational ideals, they should, he contended, be managed by manufacturers, and the teachers should be practical mechanics, giving instruction in the trade as it must be practised outside of the school. A workshop with a school attached was described by Mr. J. F. Deems, superintendent of motive power of the New York Central Railroad. He said:

"The New York Central management first organized their apprentice education system on March 1, 1906, and now have it in operation in all of their ten shops. They have tried to improve on the old European system of apprenticeship by com-

binning modern educational features and a living salary. They believe that they have the solution of the great problem that all industries are now facing. Every boy that is hired by the shop foreman is put on probation for six months in order to give him an opportunity to decide what branch of railroad work he wants to follow and to let the company decide whether he is equipped for it at all. In every shop there is a 'shop instructor' hired at a good salary to devote his entire time to the instruction of these boys. He must be an up-to-date machinist himself, with a sufficient knowledge of the other trades. For our apprentices these men have proved ideal instructors, for they are the men who can work out the problems from the standpoint of the apprentice without indulging in theories that the boy cannot understand."

Miss Jane Addams, of Hull House, reflected the point of view of the educators. She said :

"We must take care, in our rush for industrial education, that the manufacturer does not capture the public schools. That is a real danger. Years ago we let the business man capture the schools. His administration resulted in the placing of enormous emphasis upon bookkeeping, accounts, and other things which would have converted the children into a great army of clerks. This was a perfectly natural mistake for the business man to make. He had been a clerk himself and had grown up through the counting-room. What was more natural than for him to look at education from that point of view? What was good for him must be good for all children. And so with the manufacturer. If we discard the idea that there is any cultural value to be had in industrial training, the community will have a just right to complain of the narrow view we took of the trust reposed in us. We must approach this problem from the point of view of the whole community. I don't agree with the theory that industrial education is one thing and cultural education another. I know that industry, especially in Chicago, looks big and ugly. I know that superficially it seems the farthest possible remove from culture. Nevertheless, it is big with significance in its past, its present, and its future, and that significance has immense value for culture."

UNIONS AND TRADE SCHOOLS.

It is undeniable that some manufacturers hope the trade schools may help to free them from what they term the domination of the unions, and that some trade-unionists, in consequence, are disposed to view with suspicion the movement to introduce better methods of trade instruction in place of the old apprentice system. There was some outcropping of this feeling at the convention. The make-up of the Illinois Committee was unfortunate in that it contained the name of no trade-unionist from Chicago and only one from the State at large, while the opponents of

trade-unionism were well represented on that committee. Although several were invited, not a single labor man appeared at the dinner, at which Mr. Van Cleave, President of the Manufacturers' Association, was a prominent figure. The dinner addresses of Mr. Van Cleave and President Eliot both contained remarks that were interpreted as criticisms of the unions. This situation led Prof. Graham Taylor, of the Chicago Commons, to declare, at the second day's session, that it would be folly to attempt to carry out such a movement without the coöperation of those whose interests are most involved—the organized working men. The resolutions adopted declare "that as the purpose for which this society exists is the promotion of industrial education, and not the discussion of any of the more general economic or social questions into which it is so easy to be drawn, it is the sense of its members that its work should be conducted with strict reference to this educational purpose." At sessions following the dinner, trade union speakers appeared on the programme. Among them was Mr. Luke Grant, a member of the Carpenters' Union, and labor editor of the "Chicago Record-Herald," who gave a discriminating presentation of the attitude of trade-unionists toward the industrial education movement. He said: "The attitude of the wage-earner toward industrial education at the present time is not clearly defined. He is not indifferent to the importance of the subject. Neither is he antagonistic. He is simply cautious. He wants to know what direction this movement takes, and how it may affect his material interests, before he comes out in unqualified approval or disapproval of it. . . . If he is an organized worker, as a large proportion of skilled mechanics are, he has found that employers many times during labor disputes have used trade schools as recruiting stations for strike-breakers. This may appear to some a narrow view to take, but, whether or not, it is a fact, and it has not increased the wage-earner's trust in trade schools as institutions which he should help foster. This suspicion and distrust of the trade school, however, does not represent the real attitude of the wage-earner toward industrial education, or even toward trade schools. There are good and bad trade schools, and I believe the wage-earner appreciates that as readily as the employer. If you can establish trade schools devoted to the proper training of the youth, schools that will increase his industrial efficiency, schools that will help the brain to work in conjunction with the hand, schools conducted by the State that will aid the boy in the future battle of life instead of exploiting him for private profit, then I believe you will find the wage-earner among the first to bid you God-speed." The new President of the Society is Dr. Carroll D. Wright.

A. J. KNOLLIN ON FOREST RESERVES.

IN our wool review, published in the December Bulletin, we noted the continued hostility in certain States to the forest reserve policy. In the appended interview, Mr. A. J. Knollin, of Kansas City, who has been Treasurer of the National Wool Growers Association for some years, joins Messrs. Robert Taylor and others in a guarded endorsement of the policy. We desire to present all sides of this important question, for the wool manufacturer is deeply interested in maintaining and increasing, if possible, the production of domestic wool. In some subsequent number we may be able to present some of the objections urged both against the forest reserve policy and the control of the public range. Mr. Knollin's statement is taken from the December number of the "Shepherd's Criterion" and is as follows :

Undoubtedly the forest reserve system is with the western sheepman to-day. Personally, I favor it. The foundation of the industry is summer range and it can best be conserved by a system of reserves, but the Government must plan along broad lines. Down at Washington they have undertaken a huge enterprise and that the machinery should get in running order without some friction is an unreasonable expectancy. What the Government should do is put the sheepman on his honor and secure his coöperation. It will be the most efficacious and simplest method of managing the reservations. No picayunish spirit should dominate the system. The trouble has been that range riders are not properly compensated. Give us less red tape and pay those engaged in measuring it out adequately ; the sheepman will do the rest when he realizes that the forest reservation was conceived in his own interest. This should be on the lowest basis compatible with good wages and the burden on the producer made as light as possible.

One reform we must have is permits for longer periods. The one season permit means instability and dissatisfaction. Give the sheepman a five or ten year lease of his reserve and he can make needed improvements and otherwise conserve his own interests. The principle should be established that the range belongs, not to the individual, but to the stock running on it. With longer assured periods of occupancy, fewer and better paid, contented officials and the flock owner working in hearty accord with the Government, I believe all friction growing out of establishing the forest reserve system will disappear.

Down East they have sadly erroneous notions of who the sheepman is, what he has done for the West, and his importance

as a factor in the development of the country. We are characterized glibly but unreasonably as nomads, tax dodgers and undesirable citizens generally, while the facts are that the sheepman by the use of capital and exercise of energy has made a large portion of the area of the arid west habitable, made settlement by the small ranchman possible, and furnished railroads with a traffic without which their net earnings would be small. You can dodge taxes with cattle but not with sheep. Every sheep running on the western range costs \$2.00 to \$2.50 in actual expenses annually. About 60 cents per head is expended for labor, the sheepman pays a lion's share of the taxes, buys settlers' hay and produce, gives him employment and otherwise aids in maintaining the country on a prosperous basis. The 15,000,000 sheep in Wyoming, Montana, and Idaho cost more than \$30,000,000 to run annually. Eliminate the sheep industry and the financial and commercial interests of the West would churn the ambient atmosphere with lamentation. The sheepman pioneered the country, spent his money and is to-day its mainstay. Not only is he not hostile to the settler but he wants him. We prefer residential to nomadic labor because it is more reliable. We want competent help to operate our shearing plants and depend on the ranchman for a winter supply of hay. The sphere of the rancher, on the other hand, is well defined if he intends to enjoy success. My observation has been that whenever a settler neglects his ranch to invest in a band of sheep the sheriff ultimately gets him and he loses his homestead. Running a band of sheep requires capital, experience and close economy, and the settler who finds himself in debt with more irons in the fire than he can handle usually regrets it. This cry about saving the range for the settler is absurd, as he doesn't want it. What he does want is a market for his hay and other ranch products with employment at stated periods when he has nothing to do at home. There are sections in Idaho where settlers are reduced to penury right now because sheepmen have been driven out, depriving the ranchman of a local market for his hay crop which he spent the summer putting up. The settler and the sheepman will get along together, the former not needing the Government for a patron any more than the sheepman is entitled to repression.

There are in the West vast areas of desert, suited only to winter range, where nothing but sage brush grows, no water exists and on which nothing but a sheep could exist. To utilize this winter range we must have grazing ground for our flocks in summer, otherwise the industry will go to the wall and the country suffer for both wool and mutton.

A PREDICTION VERIFIED.

IN an article entitled "The Chamberlain Tariff Commission Report and the Export of American Cotton Manufactures," printed in the Bulletin for December, 1905, the following prediction of Japan's prominence in the trade of China and Manchuria was made :

But in that empire (China), where we are told there is to be such trade expansion in the years approaching and for a larger share in which the nations are contending, it is certain that another competitor; only lately giving evidences of that marvellous growth and ability which in other branches have startled the world and entitled her to its recognition as a new power, will demand a share, the size of which will be determined alone by her ability to manufacture and China's to consume.

With new mills equipped with the best modern appliances from all manufacturing nations; increased influence over the minds of the men dominating and to dominate Chinese thought; a climate more like England's than that of any other manufacturing country; a temperament which has made her previous position in art unique and unapproachable; facilities for securing the raw material and proximity to the distributing markets; and an efficiency, we believe, so absolute as to prove false the assertion that cheap laborers always mean high labor cost, there is no reason why that country should not speedily realize her avowed purpose. Her island situation, her internal growth, and her creation of a merchant marine all tend to render sure her development of manufactures — a counterpart of England.

Linked by treaty with Great Britain for the preservation of the peace of Asia, it is not unreasonable to believe that Japan will be to that continent what her ally has been and is to Europe, and that her manufacturers will eventually attain industrially in the Orient the dominating position the nation to-day holds there in political, military, and naval affairs. Certain it is that she will be more of a factor than heretofore; and all countries seeking Chinese and other markets in Asia must expect more and not less competition from her progressive manufacturers favorably situated and favorably equipped.

In a speech made recently at Kobe, Japan, Count Okuma is said to have advised his countrymen not to attempt to capture the trade alone of China and Manchuria, but to undertake "an open, honest commercial rivalry with our English allies even in India."

Mr. George S. Hein, reputed to be a prominent London banker who has been making an exhaustive inquiry into Japan-

ese economic conditions, is quoted as saying, respecting the bellicose spirit of Japan, that he has convinced himself that "apart from sleepless attempts to capture the trade of Manchuria, China, and India through legitimate rivalry with other nations Japan threatens the repose of the world in no direction."

Mr. T. C. Taylor, who represents a Lancashire constituency in the English Parliament, has recently paid a visit to Japan. In recounting some of his observations he writes to the "Batley Reporter" as follows: "The Japanese women earn about sevenpence-halfpenny a day and the men up to a shilling a day. They work from 5.30 A.M. to 7 P.M., and only have two Sundays in a month. I am sure the people at home would do well to bear in mind that we have this kind of competition to meet."

The Manchester "Textile Recorder" in its review of the textile industries in 1907, says: "Japan is the nation that appears to be advancing with the biggest strides in the cotton spinning and manufacturing world. The progressive nature of the Japanese is not to be ignored or lightly treated, and they are likely to seriously hamper our Far Eastern trade in the future."

A recent consular report from Kobe respecting the operation of the syndicate of Japanese cotton goods manufacturers, formed with strong governmental backing to develop the Manchurian trade, says:

Formerly American cottons had almost a monopoly of the market in Manchuria, but as the result of the operations of the Japanese syndicate since February of last year, the relative positions of American and Japanese cotton goods are alleged to have been reversed. The import of American cottons into Manchuria between February, 1906, and August last was not more than 6000 bales, while imports of Japanese cotton goods amounted to 29,300 bales.

From the Osaka Asahi it is learned that the Government agreed to make arrangements to allow the syndicate to obtain money at easy rates as an exchange fund for the export of the goods. The Yokohama Bank was instructed by the Government to accept four months' sight drafts at a rate of 4 per cent on a total amount exceeding 5,000,000 yen (\$2,490,000) per annum, and 4½ per cent on an amount under 5,000,000 yen per annum. By this arrangement the export of cotton goods, which occupies the most important position in Manchurian trade, was enormously benefitted. The uniformity of the quality and packing of the syndicate goods has gone a long way to assist the success of the working of the venture. The members of the syndicate carefully examine each other's goods every month. From twenty-

four to thirty bales produced in each mill are picked out at random, and the quality carefully examined in respect to weight, width, length, border, etc. In addition to this examination one bale of every quality of goods produced by each mill is brought to one company's mill in turn, and an examination is conducted by the chief experts of that mill. This arrangement was put into practice from October of last year. Every defect in the goods is pointed out, and subsequently improved.

This system has brought about a uniformity of quality, and the result has improved on every examination, until now the quality of goods produced by all the mills in the syndicate is asserted to have become identical with the exception of the color, the difference in which is due to the raw material used. The last test of the success of this examination is that the complaints of buyers in Manchuria, and even from Chinese, who are very particular about defects, and are always ready to demand a reduction of price even for the slightest damage in the bale, have now almost entirely ceased. The goods, nevertheless, still require improvement in many respects, and the syndicate is carefully investigating the matter with a view to attaining this end.

In the matter of freight the syndicate made arrangements by which the Osaka Shosen Kaisha will carry cotton goods from Osaka to Dalny at the low rate of 45 sen (22.4 cents) per bale. Furthermore, the South Manchuria Railway Company was also approached for the purpose of obtaining a reduction in freight for the syndicate goods, but the company was not in a position to allow a discount directly, as its system still remained undeveloped. However, the company accorded certain facilities for the transportation of syndicate goods.

We record these facts in no spirit of exultation ; but rather as evidence that our prediction, made more than two years ago, was not of the alarmist kind without foundation. The fact is, it has come only too true in a much shorter time than we dreamed the Japanese could accomplish the task they had undertaken.

This experience is another bit of conclusive evidence that this great, boundless, home market of ours, the greatest and best consuming market in the world, is the one above all others the domestic manufacturers should strive to master and control. As Mr. McKinley once wrote : "Our own market is the best. There is no market anywhere comparable with it. Let us first of all possess it : it is ours and we should enjoy it." To us, it seems infinitely wiser to cultivate what we have at home rather than attempt to capture foreign markets, in which no country can be sure that a rival able to manufacture at a lower cost or more advantageously situated, or favored by political relations, will not suddenly appear and appropriate its trade. Such seems

to be the fate awaiting the countries formerly dominating the Chinese trade in cotton cloths. It is a significant fact in this day of agitation for reduced duties, and should be deeply pondered by all who believe in the maintenance of the protective system in this country.

WOMEN IN INDUSTRY.

PRUSSIA.

CONSUL PETER LIEBER, of Düsseldorf, quotes an official report of the "Board of the Prussian Inspectors of Industry," which shows that 583,310 adult women were employed during the year 1906 in the industries of Prussia, details following:

This means an increase over the preceding year of 5.6 per cent, while the year 1905 showed only an increase of 4.6 per cent over the year 1904. The total number of women laborers would have reached still higher in 1906 if this had not been counteracted by the scarcity of laborers. Among the various industries employing women workers the textile branch comes first, with 120,353 adult female workers. Linen and underclothing comes next, with 77,413 women. In other lines 54,800 women were employed in chemical cleaning, 35,698 in cigar manufacturing, 26,448 in metal working, and 24,418 in factories making instruments, apparatus, and machine tools. After the industries mentioned, the greatest increase in the employment of female labor is found in mining and the polygraphic industry.

In regard to the coming law respecting the ten-hour working day for female labor, it will be interesting to consider what the present condition of labor is. In Prussia among trades in which most women were employed who worked more than ten hours a day, in most cases eleven hours being the rule, brickmaking occupies the first place, with 19,553 women workers. The sugar and jam factories also worked more than ten hours. It was the same to some extent in the textile industry, but on the whole this branch showed an inclination to shorten the hours of work. In all other industries it was an exception to work more than ten hours. In 1902 there were only 69 factories which had adopted the English factory work period, while in the succeeding three years 471 more factories put it in force, and in 1906 267 additional factories adopted the system.

The condition of female labor in Prussia has become much better, in spite of the exceedingly high industrial activity, in that overtime has greatly diminished as compared to 1905. In 1906 there were 572 factories licensed to employ women beyond the legally prescribed hours, the number of the women affected being 36,854, whereas in 1905 there were 589 such factories, with 55,951 women employees.

AN EMBARRASSING CHARGE AGAINST AN AMERICAN OFFICIAL.

For several years the Department of Commerce and Labor has been spending \$50,000 annually in sending abroad special agents to investigate conditions in foreign countries and report on new and important processes in manufacture, and opportunities to extend our foreign trade and commerce.

In the December number of the "Textile Recorder," published in Manchester, England, a serious charge is brought against Mr. William Whittam, Jr., one of the Department's special agents.

The charge made by Mr. Percy Bean, the part author of "Chemistry and Practice of Sizing," is that Mr. Whittam appropriated without credit matter from that book and embodied it in his report. Mr. Bean writes to the "Recorder": "If Mr. Whittam contends that he has obtained his information as a result of personal observation or investigation, how comes it that the whole of his report coincides with the pages of my book? I have read the article with amazement and there is not one single paragraph which has not been copied from my book. In places words have been substituted, and the order of the paragraphs have been re-arranged, but the substance remains the same."

To prove the charge parallel columns are used, and we must confess after an examination, that apparently a *prima facie* case is made out which ought to call forth an explanation from the gentleman accused. It is too expensive an undertaking and too discreditable for the Government to pay men to go in search of important first-hand information and permit them to palm off on the Department and readers of the special reports articles made up from books long made public. It would be far more economical and honorable to have such articles compiled by the home force, who could give the proper credit and acknowledgment. We trust Mr. Whittam will take advantage of the opportunity freely offered by the "Recorder" to prepare for its columns a reply to the charge brought against him; and we hope, for the honor of the country and his reputation, that he may be able to clear himself to his own satisfaction and that of his chief.

DECISIONS OF THE TREASURY DEPARTMENT ON THE WOOLEN TARIFF.

COURT DECISIONS IN CUSTOMS CASES.

(T.D. 27897.)

Flax-wool fabrics.

UNITED STATES *v.* JOHNSON.

U.S. Circuit Court, Southern District of New York. January 28, 1907.
Suit 4289.

WOOL-FLAX FABRICS—SPECIFIC ENUMERATION—"IN PART OF WOOL"—"IN CHIEF VALUE OF FLAX."—Fabrics in part of wool but in chief value of flax are more specifically enumerated in paragraph 346, tariff act of 1897, as woven fabrics of which flax is the component material in chief value, than in paragraph 366 as "cloths . . . in part of wool."

On application for review of decisions of the Board of United States General Appraisers.

For decisions below see Abstract 11697 (T.D. 27409) and Abstract 11794 (T.D. 27426), in which, on the authority of *In re Ashworth*, G.A. 5728 (T.D. 25431), the Board sustained protests of Charles A. Johnson & Co. against the assessment of duty by the collector of customs at the port of New York. Note T.D. 27462, directing the application for review.

J. Osgood Nichols, assistant United States attorney, for the United States.

Hatch & Clute (*Walter F. Welch* of counsel), for the importers.

HAZEL, *District Judge*: The Board of General Appraisers found that the lappings in question were woven fabrics weighing more than 4½ ounces per square yard and counting between 60 and 120 threads to the square inch, composed of flax warp and wool weft, flax being the component material of chief value therein. Duty was assessed by the collector at 44 cents per pound and 50 per cent ad valorem under paragraph 366 of the tariff act of 1897; and certain other lappings known as strong twill lappings were assessed for duty at 33 cents per pound and 50 per cent ad valorem under said paragraph 366. The importers protest and claim here, in view of the findings of fact by the Board, that the goods should have been held dutiable under paragraph 346 at the rate per pound therein specified. Paragraph 366 specifies the rate of duty "on cloths, knit fabrics, and all manufactures of every description made wholly or in part of wool, not specially provided for," and paragraph 346 specifies the rate of duty on "woven fabrics or articles . . . composed of flax, hemp, or ramie, or of which these substances or either of them is the component material of chief value." The protestants established to the satisfaction of the Board, notwithstanding

conflicting testimony regarding the analyses of the fabric, that the merchandise consisted of a flax warp and wool weft, and that the flax was the component material of chief value. This conclusion of the Board ought not to be overthrown by this court sitting in review, unless it was based on obviously unreliable testimony or was contrary to the weight of evidence. *Meyers v. United States* (110 Fed. Rep., 940). The record does not indicate that a wrong conclusion was reached on the facts presented before the Board; and therefore the principal question for decision is whether the classification by the collector under paragraph 366 is more specific than the paragraph under which the importers claim. The Government insists that the merchandise is more specifically covered by the words, "fabrics and all manufactures of every description made wholly or in part of wool," than by the words "woven fabrics . . . composed of flax . . . or of which these substances or either of them is the component material of chief value," and several cases are cited in support of the contention.

The case of *United States v. Altman* (107 Fed. Rep., 15), upon which stress is laid, is not thought a controlling precedent. In that case the importers contended that the provision for articles of wearing apparel of every description composed of cotton or other vegetable fiber or of which cotton or other vegetable fiber is the component material of chief value, was more specific. The Court, however, decided that the lace provision was more descriptive. The question seems to have turned upon the appearance of the corset (the imported article), which was attractively trimmed with lace. Judge Lacombe thought that the lace feature was paramount and the words "wearing apparel . . . made wholly or in part lace, or in imitation of lace" were more specific.

In *Converse v. United States* (113 Fed. Rep., 817) it was held that cotton cloth with small polka dots was dutiable as a fabric made wholly or in part of wool even though the cotton cloth was the component of chief value. It is to be observed, however, that the paragraph of the tariff act under which the importers claimed did not contain a provision relating to the component material of chief value, as in the case under consideration.

I think it reasonably clear that Congress intended to place a high rate of duty on all fabrics made wholly or in part of wool; but that intention evidently was qualified in the tariff act by the provision for the payment of duty at a different rate upon a fabric made of wool of which another substance such as flax was the component material of chief value. This view of the act of Congress, I conceive to be in consonance with the principle enunciated by the Supreme Court in *Hartranft v. Meyer* (135 U.S. 237). Hence it is thought that the flax provision is more specific than the provision for fabrics made wholly or in part of wool. The decision of the Board is therefore affirmed.

(T.D. 27921.)

*Flax-wool fabrics.*UNITED STATES *v.* WALSH.

U.S. Circuit Court, District of Massachusetts. February 5, 1907. No. 159 (suit 1849).

FLAX-WOOL FABRICS — MANUFACTURES OF WOOL.—The proviso in paragraph 391, tariff act of 1897, providing that "all manufactures, of which wool is a component material, shall be classified and assessed for duty as manufactures of wool," relates only to goods composed of wool and silk, and therefore does not require that fabrics in chief value of flax and in part of wool should be removed from the application of the provision in paragraph 346, tariff act of 1897, for fabrics of which flax is "the component material of chief value," to the provision in paragraph 366 for cloths and other manufactures "made wholly or in part of wool."

ON application for review of a decision of the Board of United States General Appraisers.

For decision below see Abstract 11698 (T.D. 27409), which, on the authority of G.A. 5728 (T.D. 25431), reversed the assessment of duty by the collector of customs at the port of Boston on an importation by F. T. Walsh. Note *United States v. Johnson* (T.D. 27897), *United States v. Scruggs, Vandervoort & Barney Dry Goods Company* (147 Fed. Rep., 888; T.D. 27652), *Benoit v. United States* (T.D. 26823), *Rouss v. United States* (120 Fed. Rep., 1021), and *United States v. Slazenger* (113 Fed. Rep., 524).

Asa P. French, United States attorney, and *William H. Garland*, assistant United States attorney, for the United States.

Norman W. Bingham, for the importer.

LOWELL, Circuit Judge: This is a proceeding to review a decision of the Board of General Appraisers imposing a duty upon woven fabrics called lappings at the rate of 50 per cent ad valorem under paragraph 346 of the tariff act of 1897. The fabric has a warp of flax, and a weft or filling of wool. Flax is the component material of chief value. The Government contends that the fabric is dutiable under paragraphs 366 and 391. The paragraphs in question read as follows:

PAR. 346. Woven fabrics or articles not specially provided for in this act, composed of flax, hemp, or ramie, or of which these substances or either of them is the component material of chief value, weighing four and one-half ounces or more per square yard, when containing not more than sixty threads to the square inch, counting the warp and filling, one and three-fourth cents per square yard; containing more than sixty and not more than one hundred and twenty threads to the square inch, two and three-fourth cents per square yard; containing more than one hundred and twenty and not more than one hundred and eighty threads to the square inch, six cents per square yard; containing more than one hundred and eighty threads to the square inch, nine cents per square yard, and in addition thereto, on all the foregoing, thirty per centum ad valorem: *Provided*, That none of the foregoing articles in this paragraph shall pay a less rate of duty than fifty per centum ad valorem. Woven fabrics of flax, hemp, or ramie, or of which these substances or either of them is the component material of chief value including such as is known as shirting cloth, weighing less

than four and one-half ounces per square yard and containing more than one hundred threads to the square inch, counting the warp and filling, thirty-five per centum ad valorem.

For earlier legislation, see tariff of 1894 (28 Stat., 530), paragraph 277; tariff of 1890 (26 Stat., 593), paragraph 371; tariff of 1883 (22 Stat., 507).

PAR. 366. On cloths, knit fabrics, and all manufactures of every description made wholly or in part of wool, not specially provided for in this act, valued at not more than forty cents per pound, the duty per pound shall be three times the duty imposed by this act on a pound of unwashed wool of the first class; valued at above forty cents per pound and not above seventy cents per pound, the duty per pound shall be four times the duty imposed by this act on one pound of unwashed wool of the first class, and in addition thereto, upon all the foregoing, fifty per centum ad valorem; valued at over seventy cents per pound, the duty per pound shall be four times the duty imposed by this act on one pound of unwashed wool of the first class and fifty-five per centum ad valorem.

For earlier legislation see tariff of 1894 (28 Stat., 530), paragraph 283; tariff of 1890 (26 Stat., 596), paragraph 392; tariff of 1883 (22 Stat., 508).

PAR. 391. All manufactures of silk, or of which silk is the component material of chief value, including such as have india rubber as a component material, not specially provided for in this act, and all Jacquard figured goods in the piece made on looms, of which silk is the component material of chief value, dyed in the yarn, and containing two or more colors in the filling, fifty per centum ad valorem: *Provided*, That all manufactures, of which wool is a component material, shall be classified and assessed for duty as manufactures of wool.

For earlier legislation see tariff of 1894 (28 Stat., 532), paragraph 302; tariff of 1890 (26 Stat., 598), paragraph 414; tariff of 1883 (22 Stat., 510).

It is not disputed that, in the absence of paragraph 391, the provisions of paragraph 346 would control. In effect this was decided in *Hartranft v. Meyer* (135 U.S. 237), where the controversy concerned the importation of a fabric made partly of wool and partly of silk. The paragraph of the wool schedule there in question was substantially like paragraph 366 of the Dingley act, and the paragraph of the silk scale resembled paragraph 346 of the Dingley act, with the substitution of silk for flax. The reasoning of the Supreme Court in that case applies to the case at bar.

Whatever interpretation be given to the proviso of paragraph 391, I cannot think that it was intended to control the language of all the other paragraphs of the tariff act and to make many of them nugatory, as is contended by the Government. Probably the proviso will be construed best in accordance with the intention of Congress if it be limited to fabrics part of silk and part of woolen. The importers have made out their case, and the decision of the Board of General Appraisers is affirmed.

(T.D. 28079.)

Appraisement of wool.

GULBENKIAN v. UNITED STATES.

U.S. Circuit Court of Appeals, Second Circuit. March 26, 1907. No. 234 (suit 4125).

APPRAISEMENT — SEPARATION OF WOOLS — MIXED WOOLS. — In accordance with immemorial custom in the market of Bagdad, white and colored wools were bought together at the same price, without any distinction as to color; but before exportation they were separated, each color being baled by itself. *Held* that, in finding the "actual market value . . . in the principal markets of the country from whence imported, and in the condition in which such merchandise is there bought and sold for exportation to the United States" under Section 19, customs administrative act of 1890, the appraising officers should consider only the price paid in the Bagdad market, and that no distinction should be made between the value of the white and colored wools, but that all should be appraised at the same price.

APPEAL from the Circuit Court of the United States for the southern district of New York.

[Decision adverse to the Government.]

For decision below see T.D. 27512, affirming a decision of the Board of United States General Appraisers, G.A. 6151 (T.D. 26719), which had affirmed the assessment of duty by the collector of customs at the port of New York on merchandise imported by G. Gulbenkian & Co.

The importation in controversy consisted of 1000 bales of wool, of which 800 were invoiced as white and 200 as colored. This wool was the subject of reappraisement proceedings under Section 13, customs administrative act of 1890, before a single General Appraiser, and then, on appeal, before a Board of General Appraisers, as a result of which an advance in value which was made by the local appraiser stood affirmed. At the hearing before the Board, on proceedings brought under Section 14 of said act for the purpose of testing the legality of the appraisement and reappraisements, the importers introduced evidence tending to show that the appraisement by the local appraiser was illegal. The Board, however, held that, whatever irregularity may have characterized that appraisement, it would be cured by a valid reappraisement by a General Appraiser, and that there was no evidence that the reappraisements before the General Appraiser and the Board had not been properly conducted. The assessment of duty was therefore affirmed. In the Circuit Court, on appeal, considerable additional evidence was introduced by the importers, but that Court affirmed the decision of the Board.

The case involves the construction of Section 19, customs administrative act of 1890, the pertinent part of which reads as follows:

SECT. 19. That whenever imported merchandise is subject to an ad valorem rate of duty, or to a duty based upon or regulated in any manner by the value thereof, the duty shall be assessed upon the actual market value or wholesale price of such merchandise as bought and sold in usual wholesale quantities, at the time of exportation to the United States, in the principal markets of the country from whence

imported, and in the condition in which such merchandise is there bought and sold for exportation to the United States, or consigned to the United States for sale, including the value of all cartons, cases, crates, boxes, sacks, and coverings of any kind, and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States.

Hatch & Clute (J. Stuart Tompkins of counsel), for the importers.

J. Osgood Nichols, assistant United States attorney, for the United States.

Before LACOMBE, TOWNSEND, and COXE, Circuit Judges.

On appeal from a judgment of the Circuit Court affirming a decision of the Board of General Appraisers, which sustained the action of the collector in appraising an importation of 1000 bales of white and colored Karadi wool from Bagdad.

The paragraphs of the tariff act of 1897 in question are as follows (30 Stat., 182-3):

PAR. 351. Class three, that is to say, Donskoi, native South American, Cardova, Valparaiso, native Smyrna, Russian camel's hair, and all such wools of like character as have been heretofore usually imported into the United States from Turkey, Greece, Syria, and elsewhere, excepting improved wools hereinafter provided for.

PAR. 358. On wools of the third class and on camel's hair of the third class the value whereof shall be 12 cents or less per pound, the duty shall be 4 cents per pound.

PAR. 359. On wools of the third class, and on camel's hair of the third class, the value whereof shall exceed 12 cents per pound, the duty shall be 7 cents per pound.

COXE, *Circuit Judge*: The question in controversy is whether the wool brought here from Bagdad, Turkey, shall pay 4 cents per pound under paragraph 358 or 7 cents per pound under paragraph 359. If the value of the wool was 12 cents or less per pound the appellants should succeed; if more than 12 cents per pound the appellee should succeed.

There is no disputed question of fact. The wool in question, without any distinction as to color, was purchased by the importers at Bagdad for 736 piasters per oke; and, after adding all packing charges required by Section 19 of the administrative act, the value of the wool at Bagdad was less than 12 cents per pound. The appellants have been importing wool from Bagdad for twenty-five years. They purchased white and colored wool in the market for the same price and always invoiced their purchases at the cost price precisely as in the present instance. The white and colored wool are invariably sold together and for the same price.

One of the importers testifies:

The owner of a lot will say "here is my lot, this is my price." We take it, we pack it as far as possible, so-called white and so-called colored separately. We sell the wool in this country. It contains

maybe 30 per cent of gray, from 10 or 5 per cent. We can never separate them; we take one fleece, for instance, you will see on one side it looks all white, and turn it and find it is black or some other color. It is the character of the wool that they never come absolutely white; there is always mixed colors, part of the sheep fleece may be white, might have a black mark on it, or near the skirt may be yellow or brown. . . . We buy them at one price. If I were to invoice it at any different prices I would not know what price to invoice one from the others. . . . There is no distinction. We have to pay the same price whether it is white or colored.

The testimony establishes overwhelmingly and without contradiction that in the Bagdad market, from time immemorial, the white and colored wools have been sold together and always at the same price. Even when a partial separation was made, the price was the same for the white as for the colored wool. There is no such thing as a strictly white wool coming from the Bagdad markets. Wools called white by manufacturers and dealers are not white. There is no difference in quality between the so-called white and the so-called colored wools.

The local appraiser without altering the total invoice value, reduced the value of the colored wool to about 9 cents per pound and added the amount so deducted to the white wool, making the value above 12 cents per pound and thus subject to the high duty of paragraph 359. The action of the local appraiser was sustained on reappraisement. The Board of General Appraisers overruled the protests and its decision was affirmed by the Circuit Court.

We are of the opinion that the protests should have been sustained. When the merchandise arrived at the port of New York the duty of the collector was plain. Having ascertained that it was wool imported from Bagdad, he had only to ascertain its market value, not at New York or London or Marseille, but at *Bagdad*, add thereto the packing charges, and his duty was done.

If the value of imported wool is to be ascertained by proof addressed to each separate importation, a cumbersome, unworkable system will result, which will open the door to uncertainty and fraud. In order that the collector may have an infallible standard by which to measure value, Congress enacted (Section 19, customs administrative act) that duty shall be assessed upon the actual market value of the merchandise as bought and sold in usual wholesale quantities in the principal markets of the country from whence imported. The rule thus fixed by statute is plain and simple, binding alike on importer and collector. Neither may vary or evade it. Neither may appeal to other criteria of value.

If the rule had been followed in the present case, the value of appellants' wool would inevitably have been fixed at less than 12 cents per pound. By discarding the rule and substituting argument and conjecture, a conclusion is reached which fixes the value of four-fifths of the importation at 13 cents per pound and one-fifth at 9 cents per

pound. And yet, if the record contains a syllable of proof that any of this wool, or similar wool, was ever bought and sold in Bagdad for 13 cents or 9 cents per pound, or that such difference in value as this can exist in the same lot of wool, we have failed to discover it.

The argument of the appellee rests, we think, upon the initial fallacy that the white wool was worth more in the markets of Bagdad than the colored wool. The proof shows that it was not worth more, and a finding to the contrary must either be wholly arbitrary or based upon facts which the statute excludes from consideration, viz., value in this country. The value of the wool here or in foreign countries other than Turkey, the use to which the wool was to be put, the object of the purchaser in separating it, are all, in our judgment, matters extraneous to the issue. By the express command of the statute the collector was prohibited from considering anything but the actual market value of the wool in the principal markets of Turkey. Having ascertained that value he should have levied duty accordingly. The proof establishes beyond contradiction or doubt that the value of the wool at Bagdad was less than 12 cents per pound, and it should have been so fixed.

The decision is reversed.

(T.D. 28105.)

Flax-wool fabrics.

UNITED STATES *v.* WILKINSON COMPANY.

U.S Circuit Court, District of Rhode Island. March 26, 1907. No. 2819 (suit 1862).

FLAX-WOOL FABRICS — MANUFACTURES OF WOOL. — Flax-wool fabrics in which flax is the more valuable element are dutiable under paragraph 346, tariff act of 1897, as fabrics in chief value of flax, rather than under paragraph 366 as manufactures in part of wool, a contrary classification not being required by the proviso in paragraph 391 of the silk schedule that "all manufactures of which wool is a component material, shall be classified and assessed for duty as manufactures of wool."

ON application for a review of a decision of the Board of United States General Appraisers.

[Decision adverse to the Government.]

For decision below see Abstract 12331 (T.D. 27545), in which the Board sustained the protests of E. De F. Wilkinson Company against the assessment duty by the collector of customs at the port of Providence.

Charles A. Wilson, United States attorney, for the United States.

Comstock & Washburn (*Albert H. Washburn* of counsel), for the importers.

BROWN, *District Judge*: The United States seeks a reversal of a decision of the Board of General Appraisers to the effect that the merchandise in question — "lappings," so-called, a woven fabric composed of a flax warp and a wool filling — is dutiable under paragraph

346 of the tariff act of 1897 as a woven fabric of which flax is the component material of chief value, and not under paragraph 366 as a manufactured article in part of wool.

I see no reason for disturbing the finding of the Board as to the fact that flax is the component of chief value. The law of the case is considered in the opinion of Judge Lowell in the Circuit Court for the district of Massachusetts, in *United States v. Walsh*, February 5, 1907 (T.D. 27921), which relates to the same kind of merchandise. This decision holds that the proviso of paragraph 391, "*Provided, That all manufactures, of which wool is the component material, shall be classified and assessed for duty as manufactures of wool,*" is limited to fabrics partly of silk and partly of wool. In other words, that the proviso is to be limited to Schedule L—"silks and silk goods"—and is not applicable to other schedules. In *United States v. Slazenger* (113 Fed. Rep., 524), Judge Townsend is also of the opinion that the proviso of paragraph 391 is limited to the silk schedule. I agree with the opinion of these learned judges.

The decision of the Board of General Appraisers is affirmed.

(T.D. 28190.)

Mocha hair on the skin.

GOAT AND SHEEPSKIN IMPORT COMPANY *v.* UNITED STATES.

United States Supreme Court. May 13, 1907. No 261 (suit 3641).

1. MOCHA HAIR ON THE SKIN—WOOL.—The enumeration of "wool" in paragraph 351 and elsewhere in the tariff act of 1897 was not made in a generic sense which includes all growth upon the skin of a sheep; and hair on Mocha sheepskins, which is commercially known and dealt in as "Mocha hair" and not as wool, and which lacks the characteristics of wool, is not subject to such provisions, but, being still on the skin, should be regarded as a part of the skin and classified free of duty under paragraph 664, relating to "skins of all kinds, raw."
2. COMMERCIAL DESIGNATION.—The commercial designation of an article in a tariff act is the name by which it should be classified for duty, without regard to its scientific designation, material, or use, unless Congress has clearly manifested a contrary intention.

ON writ of certiorari to the United States Circuit Court of Appeals for the second circuit.

[Decision adverse to the Government.]

For decision below see 145 Federal Reporter, 1022 (T.D. 27190), affirming a decision of the Circuit Court (141 Fed. Rep., 493; T.D. 26404), affirming a decision of the Board of United States General Appraisers, Abstract 2401 (T.D. 25499), which had affirmed the assessment of duty by the collector of customs at the port of New York.

Hatch & Clute (*J. Stuart Tompkins* of counsel), for the importers.

Henry M. Hoyt, Solicitor General, and *Edward T. Sanford*, Assistant Attorney-General, for the United States.

This case comes here by virtue of a writ of certiorari issued from this court to the United States Circuit Court of Appeals for the second

circuit, for the purpose of reviewing the action of the courts and of the customs authorities in relation to an assessment of duty on certain importations made by the petitioner, appellant, at the port of New York.

The merchandise on which duty was assessed was a growth upon certain skins of the Mocha sheep, imported from Hodeida, Arabia, which growth was classified by the collector as wool on the skin of the third class and assessed for duty at 3 cents per pound, under the provisions of paragraph 360 of the tariff act of July 24, 1897 (30 Stat., pp. 151, 183). The importer duly protested against the classification and insisted that the merchandise was entitled to entry free of duty under paragraph 571 (30 Stat., *supra*, p. 198), or under paragraph 664 of such act (p. 201). Paragraphs 351, 358, and 360, under which the Government claims duty, and paragraphs 571 and 664, under which the importer claims free entry, are set forth in the margin.¹

The collector having returned the merchandise in question as wool of the third class, under paragraph 360, the importer appealed to the Board of General Appraisers, where the ruling of the collector was sustained, and the importer then appealed to the Circuit Court and then to the Circuit Court of Appeals, each of which courts sustained the ruling of the Board of General Appraisers and the collector.

Before the Board of General Appraisers the importer produced six witnesses, who testified as to the character, use, and commercial designation of the merchandise. On the appeal to the Circuit Court a referee was there appointed and the importer offered further evidence to sustain his claim that the merchandise was entitled to free entry.

No testimony was offered by the Government. It is not claimed by the Government that the merchandise in question comes under paragraph 351 as wool of the third class (except as it may be wool of like character), as it is not Donskoi, native South American, Cordova, Valparaiso, native Smyrna, or Russian camel's hair, but it is asserted that

¹ Paragraphs from tariff act of 1897, under which the Government claims (30 Stat., 151, 183):

"351. Class three, that is to say, Donskoi, native South American, Cordova, Valparaiso, native Smyrna, Russian camel's hair, and all such wools of like character as have been heretofore usually imported into the United States from Turkey, Greece, Syria, and elsewhere, excepting improved wools hereinafter provided for.

"358. On wools of the third class and on camel's hair of the third class the value whereof shall be 12 cents or less per pound, the duty shall be 4 cents per pound.

"360. The duty on wools on the skin shall be 1 cent less per pound than is imposed in this schedule on other wools of the same class and condition, the quantity and value to be ascertained under such rules as the Secretary of the Treasury may prescribe."

Petitioner claims under following paragraphs:

"571. Hair of horse, cattle, and other animals, cleaned or uncleaned, drawn or undrawn, but unmanufactured, not specially provided for in this act; and human hair, raw, uncleaned, and not drawn.

"664. Skins of all kinds, raw (except sheepskins with the wool on), and hides not specially provided for in this act."

the growth on the skins was wool on the skin under paragraph 360, or was a wool of like character as that above enumerated in paragraph 351.

The evidence shows that the hair or wool (whichever it is called) grows on the Mocha white sheep, imported from Hodeida, Arabia. The growth to be found on this breed of sheep is not bought or sold in this country as wool, but as hair. It would not be accepted as a delivery of wool of any grade by those dealing in that article. Although there might have been a very small proportion of what might possibly be termed very inferior wool on these skins (not more than 10 per cent in any case, and frequently less) yet there was no substantial use of any portion of the growth on the skins for purposes for which wool is generally used. To some extent, but very little, it had been tried in mills to spin, and it might be used sometimes by carpet manufacturers in a small way, and efforts had been made to use it, mixed with wool, in spinning, but it was not practically successful, nor was it practicable to use it for other purposes for which wool is used. The chief, or predominant, and almost sole use of the substance is as hair for stuffing, and for the saddlery trade, and by bed manufacturers for stuffing purposes. It is bought and sold all over the country as Mocha hair. The skin upon which the substance grows is the thing that is valuable. A large part of the skins imported into this country is used in the manufacture of glove leather. One witness testified that his firm so used from 75 to 90 per cent of the skins imported, and the growth thereon was bought and sold as Mocha hair. It costs more to remove the growth from the skin than it sells for after its removal. It cannot be used for spinning purposes because it would not hold together. It might be carded but there would not be much left after carding. The price of the skins on which this growth is found is not influenced by the quantity of the growth on them. The more of a growth there is the less the skin will bring, or, as is said, the more hair the poorer the skin. The skins are sold by the importers to tanners of gloves and shoe leather, just as they arrive. After the growth is washed and removed from the skin it may be sold for from 3 to 5 cents per pound, which is less than the cost of removing it. In buying the skins no notice is taken of the growth, the only consideration being the value of the pelt, and the pelts are worth no more with long hair on than short hair. The growth has never been accepted or sold as wool, but on the contrary, prior to July 24, 1897, when the tariff act was passed, it was uniformly regarded and bought and sold in the United States as hair. "Mocha hair" was the trade nomenclature prior to 1899, and as such the trade name was definite and uniform throughout the United States, and dealers in it never knew it to be called anything else than Mocha hair. It has not the appearance of wool, does not feel like wool, and has none of the qualities of wool. It is bought from tanners after it has

been taken from the skin by them, and it is thus sold and bought as Mocha hair, and the skins are used for leather by the tanners.

One of the witnesses called on behalf of the importers was an examiner of wool fibers and skins at the port of New York, which position he had held for about fifteen years. He said that when he first went into the Government employ such skins as those in question were returned free, the hair as well as the skin, but that practice has since been changed. The witness further said that if the growth in question were found on a goat he would return it as hair of a goat, and entitled to free entry; that wool could be run down, or deteriorate, to such a condition as the growth in question, but that it was in fact, mostly "what they call dead hair or kemp;" that, although it could possibly be carded it was not commercially suitable, and there would not be much left after they got through carding it. On cross-examination the witness said that he would return the article in question as Mocha sheepskin with the wool on. On such a skin as the one in question the witness said there was a substance which he would call wool which was about 10 per cent only of the growth; that he examines such skins as the ones in question and throws out those he considers dutiable when there is enough wool to call it dutiable, and lets the skins go not dutiable when you could not make anything out of the growth in any way, although some use might possibly be made out of it.

The cross-examination of other witnesses was to the effect that this growth had been tried in mills for the purpose of spinning, but very little, being used with other stock to make into yarn, but it has not been successfully used for that purpose; it might be used sometimes by carpet manufacturers in a small way, and while it could not be used or spun alone it might be carded. It was also said on cross-examination of one of the witnesses that if such growth ran pretty white it is sometimes used in those low-grade carpet yarns where they put in such stuff as jute packing is made of and some hair like the growth in question. The evidence is, however, overwhelming, and the witnesses substantially unanimous that this substance is not known as wool, and is neither bought nor sold as such, and is commercially known as Mocha hair and is not used as wool.

Mr. Justice PECKHAM, after making the foregoing statement, delivered the opinion of the Court:

The evidence in this case, taken before the Board of Appraisers and also before the Circuit Court, is uncontradicted. It shows that the substance in question is not wool, has none of its characteristics, and is not put to any of its uses, and does not appear like wool. On the contrary, it is composed mostly of dead hair or kemp and cannot be remuneratively carded, nor is it commercially suited for carding, nor for spinning. Its commercial designation is Mocha hair and it is not

known or regarded or recognized as wool in any of the markets of the country.

It is not denied that the commercial designation of an article, which designation was known at the time of the passage of a tariff act, is the name by which the article should be classified for the payment of duty, and, as is stated, "without regard to their scientific designation and material of which they be made or the use to which they may be applied." Two Hundred Chests of Tea (9 Wheat., 430, 438); *Arthur v. Morrison* (96 U.S. 108); *American Net and Twine Company v. Worthington* (141 *Id.*, 468); *Hedden v. Richard* (149 *Id.*, 346, 348). As was said by Mr. Justice Story in *Two Hundred Chests of Tea* (*supra*), Congress did not "suppose our merchants to be naturalists or geologists or botanists. It applied its attention to the description of articles as they derived their appellations in our own markets, in our domestic as well as our foreign traffic." And in *Hedden v. Richard* (*supra*), it was said:

The language of commerce . . . must be construed, . . . particularly when employed in the denomination of articles, according to the commercial understanding of the terms used.

The commercial designation should prevail, unless Congress has clearly manifested a contrary intention. *Cadwalader v. Zeh* (151 U.S. 171, 176).

We are of opinion that the use of the word "wool" in the tariff act excluded a substance which, while it was a growth upon a sheepskin, was nevertheless commercially known, designated, and dealt in as Mocha hair, having none of the characteristics of wool, and which would not be accepted by dealers therein as a good delivery of wool.

In this case the evidence is uncontradicted that the growth on these skins was commercially known as Mocha hair, and that it was not used in the way wool is used, or as a substitute for wool. It ought not simply for the reason that the skin upon which it grows is the skin of a sheep, to be classified as wool, under paragraph 360 of the tariff act, and thereby be subjected to a duty as high as the value of the substance itself.

Although it has been so classified, and that classification has been affirmed all through, yet the question is not presented to this court as if it were a question of fact decided upon contradictory evidence, and concluding this court for that reason. There is, in truth, no contradictory evidence in the case. It is one, where in our opinion the courts below have given undue weight to the evidence elicited on cross-examination of witnesses called on the part of the importer, which showed that there possibly was, in some cases, a very little inferior wool found on these skins, while the courts ignored the other facts, as testified to by the same witnesses and already mentioned, which showed beyond the

possibility of successful contradiction that the substance was erroneously classified as wool.

Upon the facts the substance ought not to have been so classified. The growth, being still on the skin, should have been regarded as part of such skin, and classified under paragraph 664, in the free list, and not as a sheepskin with wool on.

We do not agree that the word "wool" in this act is used in a generic sense so far as this particular point is concerned. The word does not necessarily include all growth upon the coat of a sheep, even though the substance is like that in question here.

Counsel for the Government cites from the *Encyclopædia Britannica*, where, in speaking of the difficulty in determining the dividing line between hair and wool, it is said:

At what point indeed it can be said that an animal fiber ceases to be hair and becomes wool it is impossible to determine, because in every characteristic the one class by imperceptible gradations merges into the other, so that a continuous chain can be formed from the finest and softest merino to the rigid bristles of the wild boar.

It may be difficult in some cases to define the line between "wool" and "hair" as a growth upon skins, but we do not regard that difficulty as an argument for the construction contended for by counsel for the Government. That argument leads to the classification of a substance like that in question, as wool, when in fact it bears no resemblance to it, is not used as wool, and has none of its characteristics, and is known commercially as Mocha hair, and is so bought and sold over the whole country. The case is one of degree, and because in some few cases the points may closely approach each other and there may be in such cases some difficulty in telling wool from hair, yet that fact furnishes no reason for refusing to adopt the general test which in most cases is easily applied, — fitness, identity of use, commercial designation. To adopt the claim of counsel eliminates all inquiry as to whether an article is wool or hair, and leaves simply the question whether it is to be found on what may be called the wool-bearing animals or on the alpaca or other like hair-coated animals. Some sheep are wool-bearing animals, therefore the hair on the skin of the Mocha sheep is wool and must be classified as such. We do not agree with this claim. If an article does not, to a dealer, look like wool, cannot be used as wool, is not commercially known as wool, but, on the contrary, is bought and sold throughout the country as Mocha hair and is so designated commercially by those dealing in it, it ought not to be classified as wool or made to pay duty as such, simply because it grows on a sheep.

We have looked over the various authorities cited by counsel for the Government, but we see nothing in any of them tending to the conclusion that upon the facts in this case the growth on the skin of the Mocha sheep was properly classified as wool.

Taking all the evidence in this case, uncontradicted as it is, we feel compelled to the conclusion that the classification in this case, adopted by the courts below and by the appraisers and collector was wrong, and that the merchandise in question was entitled to free entry.

The judgments of the courts below are reversed and the case remanded to the Circuit Court with instructions to take such further proceedings as may be necessary, not inconsistent with this opinion.

Reversed.

Mr. Justice MOODY took no part in the decision of this case.

ABSTRACTS OF OTHER DECISIONS.

(T.D. 27674.)

No. 13186. — GARNETTED WASTE. — Protest of Smith-Worthington Company against the assessment of duty by the collector of customs at the port of New York. Before Board 1 (Lunt, Sharretts, and McClelland, General Appraisers; Sharretts, G.A., absent), October 18, 1906. Opinion by Lunt, G.A.

So-called saddlers' flocks were found not to be flocks dutiable under paragraph 363, tariff act of 1897, but to be garnetted waste provided for in paragraph 361. Protest overruled.

(T.D. 27801.)

No. 13907. — HAIR PRESS CLOTH. — Protest 196711 of American Express Company against the assessment of duty by the collector of customs at the port of Boston. Before Board 1 (Lunt, Sharretts, and McClelland, General Appraisers; Sharretts, G.A., absent), December 28, 1906. Opinion by McClelland, G.A.

Protest overruled on the authority of G.A. 6504 (T.D. 27792), relating to hair press cloth.

(T.D. 27873.)

No. 14210. — WOOL — ABSORBED MOISTURE. — Protest 214870 of Kirkman & Vail against the assessment of duty by the collector of customs at the port of Philadelphia. Before Board 3 (Waite, Somerville, and Hay, General Appraisers), January 28, 1907. Opinion by Somerville, G.A.

On the authority of G.A. 6512 (T.D. 27800) and *United States v. Falk* (T.D. 27832), the Board overruled the importers' contention that an allowance should have been made for moisture absorbed by wool.

(T.D. 27916.)

No. 14372. — WOOL ON THE SKIN. — Protests 220798 of Boston Hide and Skin Association against the assessment of duty by the collector of customs at the port of Eastport. Before Board 1 (Lunt, Sharretts, and McClelland, General Appraisers), February 4, 1907. Opinion by McClelland, G.A.

The protest related to sheepskins with the wool on. As claimed by the importers, the Board held that only 27 per cent of the weight of the importation should have been classified as wool.

No. 14380. — WATERPROOF CLOTH OF WOOL. — Protests 221949-23259, etc., of Silas H. Jenkins Company *et al.* against the assessment of duty by the collector of customs at the port of Chicago. Before Board 1 (Lunt, Sharretts, and McClelland, General Appraisers), February 9, 1907. Opinion by Lunt, G.A.

The protests related to waterproof fabrics, which were held to have been properly classified as woolen cloths under paragraph 366, tariff act of 1897.

(T.D. 28036.)

No. 14792. — WOOL WEARING APPAREL. — Protests 182562, etc., of L. Metzger & Co. against the assessment of duty by the collector of customs at the port of New York. Before Board 1, March 22, 1907. Opinion by Lunt, G.A.

So-called hats and crowns, which were classified as wool wearing apparel, were claimed to be composed in chief value of fur. Protest overruled.

(T D. 28104.)

No. 15172. — WORSTED TRIMMINGS — SKIRT FACING. — Protest 38710^f of A. Steinhardt & Bro. against the assessment of duty by the collector of customs at the port of New York. Before Board 1, April 22, 1907. Opinion by Lunt, G.A.

The merchandise, which was invoiced as “the liberty” worsted skirt facing, was found to consist of trimmings composed of a worsted braid with a wool or mohair chenile edge stitched on, put up in lengths of 36 yards. The Board held this material to have been properly classified as wool trimmings under paragraph 371, tariff act of 1897.

(T.D. 28205.)

No. 15517. — WOOL WEARING APPAREL. — Protest 246645 of Rosenblum & Sentner against the assessment of duty by the collector of customs at the port of New York. Before Board 1, May 22, 1907. Opinion by Lunt, G.A.

The protest related to hat forms, which the Board held to have been properly classified as wool wearing apparel.

102 NATIONAL ASSOCIATION OF WOOL MANUFACTURERS.

COMPARATIVE STATEMENT OF IMPORTS AND EXPORTS OF
WOOL AND MANUFACTURES OF WOOL FOR THE TWELVE
MONTHS ENDING DECEMBER 31, 1906 AND 1907.

GROSS IMPORTS.

ARTICLES AND COUNTRIES.	Quantities for Twelve Months ending December 31.		Values for Twelve Months ending December 31.	
	1906.	1907.	1906.	1907.
WOOL, HAIR OF THE CAMEL, GOAT, ALPACA, ETC., AND MANUFACTURES OF :				
UNMANUFACTURED—				
Class 1—Clothing (dutiable)—	<i>Pounds.</i>	<i>Pounds.</i>		
Imported from—				
United Kingdom	26,085,074	19,049,657	\$6,897,940	\$5,033,922
France	129,182	76,708	23,229	11,190
South America	29,845,952	21,762,998	6,621,288	5,044,526
Asia and Oceania	21,161,263	37,818,388	5,477,772	10,204,470
Other countries	3,575,046	1,042,378	868,853	265,684
Total	80,796,517	79,750,129	\$19,889,082	\$20,559,792
Class 2—Combing (dutiable)—				
Imported from—				
United Kingdom	7,114,602	10,703,175	\$2,090,457	\$3,104,726
Other Europe	177,187	992,905	49,889	358,493
British North America	902,342	1,991,846	251,111	541,977
South America	988,305	2,007,780	301,195	644,116
Other countries	10,897	108,098	3,088	36,730
Total	9,193,333	15,803,804	\$2,695,740	\$4,686,042
Class 3—Carpet (dutiable)—				
Imported from—				
United Kingdom	17,976,372	13,571,769	\$3,204,744	\$2,464,791
France	3,249,530	2,899,824	661,023	522,335
Germany	1,070,102	2,325,867	193,225	444,907
Other Europe	29,009,354	24,041,548	4,393,327	3,836,691
South America	4,877,323	1,459,784	759,322	410,085
Chinese Empire	34,905,034	31,618,059	4,154,540	3,924,208
Other Asia and Oceania	15,697,764	16,396,990	2,404,703	2,756,531
Other countries	68,969	438,181	6,163	67,625
Total	106,854,448	92,752,022	\$15,777,047	\$14,427,173
Total unmanufactured	196,844,298	188,305,955	\$38,361,869	\$39,673,007
MANUFACTURES OF—				
Carpets and Carpeting (duti- able)—	<i>Sq. Yards.</i>	<i>Sq. Yards.</i>		
Imported from—				
United Kingdom	218,069	184,879	\$577,407	\$485,224
Other Europe	795,734	589,985	3,479,190	2,850,122
Asia and Oceania	147,743	189,517	534,182	808,499
Other countries	3,662	4,376	19,424	31,385
Total	1,165,208	968,757	\$4,610,203	\$4,175,230

COMPARATIVE STATEMENT OF IMPORTS OF WOOL. 103

COMPARATIVE STATEMENT OF IMPORTS AND EXPORTS OF WOOL, Etc.

GROSS IMPORTS. — *Continued.*

ARTICLES AND COUNTRIES.	Quantities for Twelve Months ending June 30.		Values for Twelve Months ending June 30.	
	1906.	1907.	1906.	1907.
	<i>Pounds.</i>	<i>Pounds.</i>		
Clothing, ready-made, and other wearing apparel, except shawls and knit fabrics (dutiable)			\$1,612,654	\$1,768,784
CLOTHS — (dutiable) —				
Imported from—				
United Kingdom	2,436,941	2,427,425	\$2,904,675	\$2,892,224
Austria-Hungary	391,661	363,714	361,440	349,854
Belgium	308,630	382,150	303,993	372,651
France	170,402	178,878	210,678	227,581
Germany	1,963,861	1,836,439	1,844,488	1,769,493
Other countries	12,131	13,827	12,920	16,532
Total	5,283,626	5,202,433	\$5,638,194	\$5,628,335
DRESS GOODS, WOMEN'S AND CHILDREN'S — (dutiable) —	<i>Sq. Yards.</i>	<i>Sq. Yards.</i>		
Imported from—				
United Kingdom	24,779,696	22,818,807	\$4,197,281	\$3,812,866
France	13,529,365	19,485,363	3,022,884	3,981,635
Germany	9,124,860	10,762,573	2,156,304	2,759,458
Other countries	281,279	623,963	75,127	133,826
Total	47,715,200	53,690,706	\$9,451,596	\$10,687,785
	<i>Pounds.</i>	<i>Pounds.</i>		
Knit fabrics (dutiable)			\$239,499	\$53,233
Mungo, flecks, shoddy, noils, wool extracts, rags, and waste (dutiable)	725,162	1,432,719	287,468	198,727
Yarns (dutiable)	189,930	257,695	155,698	193,475
All other (dutiable)			672,160	710,960
Total manufactures of			\$22,667,472	\$23,416,534

COMPARATIVE STATEMENT OF IMPORTS AND EXPORTS OF
WOOL, ETC. — *Concluded.*

EXPORTS OF WOOL AND MANUFACTURES OF.

FOREIGN.				
ARTICLES.	1906.	1907.	1906.	1907.
	Quantities.	Quantities.	Values.	Values.
WOOL, HAIR OF THE CAMEL, GOAT, ALPACA, ETC., AND MANUFACTURES OF:				
UNMANUFACTURED—				
Class 1—Clothing (dutiable) lbs .	2,877,012	1,064,685	\$565,208	\$224,711
Class 2—Combings “ “ .	337,514	133,241	89,791	36,644
Class 3—Carpet “ “ .	1,197,654	1,909,148	136,537	254,098
Total unmanufactured	4,412,180	3,109,074	\$791,536	\$515,453
MANUFACTURES OF—				
Carpets and carpeting, sq. yds., dutiable	8,320	13,618	\$39,029	\$64,403
Clothing, ready made, and other wearing apparel, except shawls and knit fabrics, dutiable			6,317	13,285
Cloths, pounds, dutiable	27,810	28,233	17,052	25,990
Dress goods, women's and children's, sq. yds., dutiable	174,436	196,626	30,060	33,853
Knit fabrics, dutiable			59	73
Mungo, flecks, shoddy, noils, wool extracts, rags, and waste, pounds, dutiable	10,114	11,095	3,800	766
Yarns, pounds, dutiable	1,080	892	324	669
All other, dutiable			37,693	23,524
Total manufactures of			\$134,334	\$162,563
DOMESTIC.				
WOOL, AND MANUFACTURES OF —				
Wool, raw, lbs.	350,930	86,379	\$67,087	\$20,667
MANUFACTURES OF—				
Carpets, yards	77,733	64,446	\$64,333	\$57,604
Dress goods, yards	9,543	10,737	9,550	8,339
Flannels and blankets			69,525	34,461
Wearing apparel			1,633,780	1,774,651
All other			434,059	455,903
Total			\$2,211,247	\$2,330,958

QUARTERLY REPORT OF THE BOSTON WOOL MARKET
FOR OCTOBER, NOVEMBER, AND DECEMBER, 1907.

DOMESTIC WOOLS. (GEORGE W. BENEDICT.)

	1907.			1906.
	October.	November.	December.	December.
OHIO, PENNSYLVANIA, AND WEST VIRGINIA.				
(WASHED.)				
XX and above	34 @ 35	34	33 @ 34	33 @ 34
X	32 @ 32½	32	31 @ 32	31 @ 32
¾ Blood	39 @ 40	38 @ 39	37 @ 38	40 @ 41
¾ & ¾ Blood	37 @ 38	36 @ 37	35 @ 36	39 @ 40
Fine Delaine	38½ @ 39	38 @ 38½	37½ @ 38	36½ @ 37½
(UNWASHED.)				
Fine	26½ @ 27	26 @ 26½	25½ @ 26	25 @ 26
¾ Blood	33 @ 34	32 @ 33	31 @ 32	33½ @ 34
¾ & ¾ Blood	31 @ 34	30 @ 32	29 @ 31	33 @ 34½
Fine Delaine	31 @ 32	31 @ 31½	31	29 @ 30
MICHIGAN, WISCONSIN, NEW YORK, ETC.				
(WASHED.)				
Fine	38 @ 39	37 @ 38	36 @ 37	39 @ 40
¾ Blood	36 @ 37	35 @ 36	34 @ 35	38 @ 39
¾ & ¾ Blood	37 @ 38	36½ @ 37	36 @ 36½	35 @ 36
(UNWASHED.)				
Fine	25 @ 26	25 @ 25½	25	24 @ 25
¾ Blood	33	31 @ 32	31	32½ @ 33½
¾ & ¾ Blood	30 @ 33	30 @ 31	29 @ 30	32½ @ 34
Fine Delaine	29 @ 30	28½ @ 29	28 @ 28½	27½ @ 28½
KENTUCKY AND INDIANA.				
(UNWASHED.)				
¾ & ¾ Blood	30 @ 33	30 @ 32	29 @ 31	33 @ 35
Braid	27 @ 28	26 @ 27	25 @ 26	28 @ 29
MISSOURI, IOWA, AND ILLINOIS.				
(UNWASHED.)				
¾ & ¾ Blood	29 @ 31	29 @ 31	28 @ 30	32 @ 34
Braid	27 @ 27½	25 @ 26	24 @ 25	28 @ 29
TEXAS.				
(SCOURED BASIS.)				
Spring, fine, 12 months	71 @ 72	69 @ 70	67 @ 68	70 @ 72
“ “ 6 to 8 months	64 @ 65	62 @ 63	60 @ 61	64 @ 65
“ medium, 12 months	63 @ 64	61 @ 62	58 @ 59	62 @ 63
“ “ 6 to 8 months	55 @ 57	53 @ 54	50 @ 52	57 @ 58
Fall, fine	53 @ 55	50 @ 52	48 @ 50	57 @ 58
“ medium	48 @ 50	45 @ 48	43 @ 45	52 @ 55
CALIFORNIA.				
(SCOURED BASIS.)				
Spring, Northern, free, 12 months	68	65 @ 66	64 @ 65	67 @ 68
“ “ 6 to 8 months,	63	60 @ 61	58 @ 60	64 @ 65
Fall, free	56	50 @ 52	48 @ 50	58 @ 59
“ defective	38 @ 43	35 @ 40	33 @ 38	38 @ 43
TERRITORY WOOL: Montana, Wyoming, Utah, Idaho, Oregon, etc.				
(SCOURED BASIS.)				
Staple, fine and fine medium	72 @ 73	70 @ 71	68 @ 70	69 @ 72
“ medium	65 @ 66	64 @ 65	62 @ 63	65 @ 66
Clothing, fine	67 @ 68	63 @ 64	60 @ 61	67 @ 68
“ “ medium	66 @ 67	60 @ 61	57 @ 58	66 @ 67
“ medium	60 @ 62	55 @ 58	52 @ 55	62 @ 63
NEW MEXICO. (Spring.)				
(SCOURED BASIS.)				
No. 1	63 @ 64	60 @ 61	58 @ 60	65 @ 67
No. 2	54 @ 55	52 @ 53	50 @ 52	58 @ 60
No. 3	42 @ 43	40 @ 41	38 @ 40	47 @ 50
No. 4	34 @ 35	32 @ 33	30 @ 32	42 @ 43
NEW MEXICO. (Fall.)				
(SCOURED BASIS.)				
No. 1	none here.	50 @ 52	48 @ 50	56 @ 57
No. 2	“	42 @ 43	40 @ 42	50 @ 52
No. 3	“	35 @ 36	33 @ 34	45 @ 46
No. 4	“	30 @ 31	28 @ 30	40 @ 42
GEORGIA AND SOUTHERN.				
Unwashed	28	27	26	30 @ 31

DOMESTIC WOOL.

BOSTON, January 1, 1908. *

The present quarter (October to December) has been one of extreme changes, beginning with a period of great activity in which most of the worsted mills participated.

The demand for the finer class of fabrics, which was so marked upon the opening of light weights, was reflected in the wool market during the latter part of September and early October, when the sales of fine and $\frac{1}{2}$ blood staple wools reached enormous proportions and stocks of this character were very much depleted. This was suddenly followed by the severe financial panic which completely crippled business and from the effects of which the market is still suffering. Manufacturers were confronted by large cancellations of orders on all sides and it was with the greatest difficulty that many of the mills were able to obtain currency with which even to meet their pay rolls, resulting in most of them either shutting down their plants entirely or running on short time.

Under these conditions it was not strange that sales of the raw material should have been tremendously curtailed and prices should decline. This has been more marked in territory clothing wools, both in the grease and scoured, than in staple grades of which there is not a large supply and the finer qualities of which have held remarkably firm. Ohio and Michigan fleeces (with the exception of $\frac{1}{4}$ bloods) have behaved well, and delaines and XX grades are still in demand at full prices. This is due probably to the continued firmness of fine wools abroad, which as yet have shown no signs of weakness.

As noted in our last review, the lower grades, including $\frac{1}{4}$ bloods, are still waiting for the "spirit to move," which may be realized when the heavy weights are opened after the New Year.

On a market such as we have had in the past three months it is difficult to give quotations, except in a general way. Sales have been so extremely light that no real basis of values has been established, the price often depending on the necessities of the individual holder to realize on his merchandise in order to meet maturing obligations.

GEORGE W. BENEDICT.

PULLED WOOLS. (*Scoured basis.*) (W. A. BLANCHARD.)

	1907.			1906.
	October.	November.	December.	December.
Brushed, Extra	68 @ 72	67 @ 72	67 @ 72	70 @ 72
Fine A	60 @ 65	58 @ 63	57 @ 62	62 @ 65
A Super	52 @ 56	50 @ 55	48 @ 53	55 @ 60
B Super	40 @ 45	38 @ 44	37 @ 44	47 @ 50
C Super	30 @ 35	29 @ 33	28 @ 32	33 @ 36
Fine Combing	57 @ 62	55 @ 60	53 @ 60	58 @ 63
Combing	47 @ 50	45 @ 48	45 @ 47	50 @ 52
California, Extra	62 @ 67	60 @ 67	60 @ 67	65 @ 70

QUARTERLY REPORT OF BOSTON WOOL MARKET. 107

REMARKS.

Boston, January 1, 1908.

The adverse conditions which prevailed during the previous quarter have extended to this, and, excepting in the case of some specialties, the demand for pulled wool has been light and prices have steadily sagged. Small lots of medium and low supers have been taken by woolen manufacturers who have made them into samples of cheviots, but there the business ended. Worsteds still have the call. Fine wools grading from a half blood up, have sold readily, but the outside quotations apply to the staple end of the production. B Supers in the grease have sold fairly well when sufficiently well grown for combing purposes; but the shorter scoured wools have gone hard. For C Supers and gray wools there has been practically no demand and values can only be estimated.

The shutting down of small pulleries and the curtailing of production by the larger establishments have resulted in an accumulation of sheep-skins in all markets. By reason of this and of a stagnation in the sales of finished leather, prices for pelts have broken materially from the high level maintained for several years.

W. A. BLANCHARD.

FOREIGN WOOLS. (MAUGER & AVERY.)

	1907.			1906.
	Oct.	Nov.	Dec.	Dec.
Australian Combing:				
Choice	43 @ 45	43 @ 45	43 @ 45	43 @ 45
Good	41 @ 42	41 @ 42	41 @ 42	40 @ 42
Average	40 @ 41	40 @ 41	40 @ 41	38 @ 40
Australian Clothing:				
Choice	43 @ 45	43 @ 45	43 @ 45	43 @ 44
Good	41 @ 42	41 @ 42	41 @ 42	40 @ 41
Average	39 @ 40	38 @ 40	38 @ 39	38 @ 40
Sydney and Queensland:				
Good Clothing	41 @ 43	41 @ 43	41 @ 43	39 @ 41
Good Combing	41 @ 42	41 @ 42	41 @ 42	38 @ 40
Australian Crossbred:				
Choice	44 @ 46	44 @ 45	43 @ 45	43 @ 45
Average	42 @ 43	41 @ 42	40 @ 41	42 @ 43
Australian Lambs:				
Choice	44 @ 47	44 @ 47	43 @ 45	44 @ 47
Good	40 @ 43	40 @ 43	40 @ 43	40 @ 43
Good Defective	35 @ 37	34 @ 36	33 @ 35	35 @ 37
Cape of Good Hope:				
Choice	35 @ 36	35 @ 36	35 @ 36	36 @ 37
Average	31 @ 33	30 @ 32	30 @ 31	21 @ 33
Montevideo:				
Choice	37 @ 39	36 @ 38	35 @ 37	37 @ 39
Average	34 @ 36	33 @ 34	32 @ 33	34 @ 36
Crossbred, Choice	37 @ 38	36 @ 37	34 @ 36	39 @ 41
English Wools:				
Sussex Fleece	41 @ 43	40 @ 42	39 @ 41	45 @ 46
Shropshire Hogs	38 @ 40	38 @ 40	38 @ 39	44 @ 45
Yorkshire Hogs	36 @ 38	36 @ 38	36 @ 38	42 @ 43
Irish Selected Fleece	38 @ 40	37 @ 38	37 @ 38	43 @ 44
Carpet Wools:				
Scotch Highland, White	23 @ 24	23 @ 24	23 @ 24	24 @ 25
East India, 1st White Joria	30 @ 31	28 @ 30	27 @ 28	31 @ 32
East India, White Kandahar	25 @ 26	25 @ 26	25 @ 26	27 @ 30
Donskoi, Washed, White	31 @ 32	28 @ 30	26 @ 28	34 @ 35
Aleppo, White	32 @ 33	31 @ 33	31 @ 32	33 @ 35
China Ball, White	18 @ 19	18 @ 19	18 @ 19	23 @ 24
“ “ No. 1, Open	15 @ 18	15 @ 18	15 @ 18	20 @ 21
“ “ No. 2, Open	12 @ 14	12 @ 14	12 @ 14	15 @ 16

FOREIGN WOOLS.

BOSTON, January 1, 1908.

Foreign wools, like every other commodity, have been affected by the financial situation, and have generally been neglected by manufacturers. Prices influenced by the strong advices from Australia were well maintained until about the last of November, when the high rates for money disturbed the continental markets and a serious drop in values of crossbreds was experienced. Fine wools, especially inferior clothing wools, showed a marked demand abroad. In this market there has been no demand except to supply bare necessities in certain qualities. Carpet spinners have experienced a very unsatisfactory business and appear to have very little interest in carpet wools and there are but few signs of better times to come. A wave of conservatism has passed over the country causing paralysis in transportation and every industry as well. A decline in the clip of Australia of at least 50,000 bales is expected and the statistical position of wool is strong, but as against the prevailing sentiment of inaction statistics have no weight.

MAUGER & AVERY.

BULLETIN

OF THE

National Association of Wool Manufacturers.

A QUARTERLY MAGAZINE

DEVOTED TO THE INTERESTS OF THE NATIONAL WOOL INDUSTRY.

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BOSTON, JUNE, 1908.

[No. II.]

SHOULD THERE BE A TEN PER CENT MARGIN FOR UNDERVALUATION OF IMPORTED MERCHANDISE?

AN EXAMINATION OF THE QUESTION.

BY JOHN BRUCE McPHERSON, *Secretary*.

CARRYING out his promise made in the diplomatic note of May 2, 1907, to the German Ambassador, the President, in a special message to Congress on January 22, 1908, "earnestly recommended to the Congress the enactment into law" of an amendment to the customs administrative act to permit undervaluation of imported merchandise up to 10 per cent, without the payment of additional duties for undervaluation. He added, "Besides promoting harmonious relations between the contracting parties to the agreement in question" (Germany and the United States), "I regard the proposed legislation as a meritorious measure for the improvement of our customs administrative act, the provisions of which are applicable to importations from all countries alike."

The changes urged by the President with which we are chiefly concerned in this investigation are to be found in section 7 of the administrative act, which, with the amendments made, would read as follows, — the proposed changes

being indicated by brackets for words to be stricken out and italics for those to be inserted :

SECT. 7. That the owner, consignee, or agent of any imported merchandise [which has been actually purchased] may, at the time when he shall make and verify his written entry of such merchandise, but not afterwards, make such addition in the entry to *or such deductions from* the cost or value given in the invoice or pro forma invoice or statement in form of an invoice, which he shall produce with his entry, as in his opinion may raise *or lower* the same to the actual market value or wholesale price of such merchandise at the time of exportation to the United States, in the principal markets of the country from which the same has been imported ; [but no such addition shall be made upon entry to the invoice value of any imported merchandise obtained otherwise than by actual purchase ;] and the collector within whose district any merchandise may be imported or entered, whether the same has been actually purchased or procured otherwise than by purchase, shall cause the actual market value or wholesale price of such merchandise to be appraised ; and if the appraised value of any article of imported merchandise subject to an ad valorem duty or to a duty based upon or regulated in any manner by the value thereof shall exceed the value declared in the entry *by more than ten per centum* there shall be levied, collected, and paid, in addition to the duties imposed by law on such merchandise, an additional duty of one per centum of the total appraised value thereof for each one per centum *in excess of ten per centum* that such appraised value exceeds the value declared in the entry, but the additional duties shall only apply to the particular article or articles in each invoice that are so undervalued, *and shall not be imposed upon any article upon which the amount of duty imposed by law on account of the appraised value does not exceed the amount of duty that would be imposed if the appraised value did not exceed the entered value,* and shall be limited to [fifty] *twenty-five* per centum of the appraised value of such article or articles. Such additional duties shall [not] be construed to be penal, and *within the purview of Sections 5292 and 5293, Revised Statutes, and Sections 17 and 18, act, June 22, 1874, and further shall* [not] be remitted, [nor payment thereof in any way avoided, except] in cases arising from [a] *unintentional* or manifest clerical error, [nor shall they be refunded] *but these duties shall not be refunded* in case of exportation of the merchandise [or on any other account,] nor shall they be subject to the benefit of drawback : *Provided,* That if the appraised value of any merchandise shall exceed the value declared in the entry by more than [fifty] *thirty-five* per centum, except when arising from *an unintentional* or a manifest clerical error, such entry shall be held to be presumptively fraudulent, and the collector of customs [shall] *may* seize such merchandise and proceed as in case of forfeiture

for violation of the customs laws, and in any legal proceeding that may result from such seizure, the undervaluation as shown by the appraisal shall be presumptive evidence of fraud, and the burden of proof shall be on the claimant to rebut the same and forfeiture shall be adjudged unless he shall rebut such presumption of fraudulent intent by sufficient evidence. The forfeiture provided for in this section shall *only* apply to [the whole of the merchandise or the value thereof in the case or package containing] the particular article or articles [in each invoice] which are undervalued: *Provided, further*, That all additional duties, penalties or forfeitures applicable to merchandise entered by a duly certified invoice, shall be alike applicable to merchandise entered by a pro forma invoice, or statement in the form of an invoice, [and no forfeiture or disability of any kind, incurred under the provisions of this section shall be remitted or mitigated by the Secretary of the Treasury.] The duty shall not, however, be assessed in any case upon an amount less than the [invoice or] entered value.

The proposal to allow a 10 per cent leeway we regard as a piece of legislation more dangerous to the business of honest importers, domestic industries, and the federal revenue than any made to Congress within the last dozen years, because, if enacted into law, it will turn back the wheels of progress for a quarter of a century and again grant opportunities for frauds upon the federal revenue, now needed for pressing wants, afford splendid opportunities for the immoral, if not the criminal, to flourish as the green bay tree, and drive out of the importing business the honest men engaged in it.

MR. ROOT SEES NO DANGER.

We recognize that that is a strong indictment of a recommendation made by the Secretary of State, and endorsed by the President who, we believe, would not knowingly urge or recommend any piece of legislation the effect of which would be to give the opportunities we have recorded in the foregoing paragraph. It is not based, however, on any arguments of the writer, but rests upon the testimony of numerous competent experts and conclusions reached by many committees, two commissions, and at least four Secretaries of the Treasury, together with the Board of General Appraisers, who, coming into closest contact with imported merchandise,

know most intimately the evils produced by the consignment of that merchandise, and the undervaluation practised by those who make it a business to evade the customs of this country.

The President accompanied his message with a communication from Secretary Root under date of January 9, 1908, in which Mr. Root said :

The foregoing changes were carefully considered and approved by the representative of the Treasury Department on the American Tariff Commission sent to Berlin and have been unanimously recommended for adoption by the Commission in its report.

I have the honor to express the opinion that the enactment of the proposed amendment to the existing law would not only strengthen the present good understanding between the United States and Germany in respect of the commercial relations, but would promote harmonious trade relations with other powers *without*, at the same time, prejudicing in any way the fiscal or economic interests of the United States.

THE PURPOSE OF THIS PAPER.

It is to examine the country's experience with the undervaluation evil with which this government has been struggling for almost a century, considering in this connection the opinion of Secretary Root with respect to the margin he urges, that this paper is written in the hope and full expectation that the writer can so fortify his position by quotations from various reports made by former Secretaries of the Treasury, the Tariff Commission of 1882, committees of the Senate and House, the testimony of custom house officials, and the General Appraisers, the Chairman of the Ways and Means Committee, and the Committee on Customs of the Merchants' Association of New York, as to compel an admission from unbiased persons that the amendment permitting so great a margin for undervaluation would be inimical to the federal revenue, to the interests of the honest importer, the domestic manufacturer, and, in a word, to the "economic interests of the United States."

By calling the attention of our readers to the experiences of the past, and the advice of many competent men and committees who have known the frequency and extent of undervaluations under the old laws, it is our purpose to show that it would be extremely hazardous and unwise, in the light of that experience and that counsel, to return to the 10 per cent privilege for undervaluation.

This Association, recognizing the difficulty in finding experts in appraisement of merchandise who will agree absolutely in their views of value, never advocated the provisions of the present law which were adopted on the advice, largely, of Treasury officials. On the contrary, in 1883, when the Tariff Commission of 1882 reported a bill, a leeway of 5 per cent was provided, and that provision was supported by Dr. John L. Hayes, Secretary of this Association, who was the chairman of the Commission. In 1885, when making to the Hon. Daniel Manning, Secretary of the Treasury, recommendations for administrative tariff legislation, Dr. Hayes said: "There may be honest difference of opinion as to values. It is believed that the ordinary range of honest difference of opinion as to values will not exceed 5 per cent. No penalty should therefore be imposed when the difference does not exceed that percentage. There should be imposed a certain though not ruinous penalty for every experiment beyond that line, the penalty increasing in proportion to the extent of the undervaluation;" and in 1896, when the Committee on Ways and Means were giving hearings on the bill which practically became the law in 1897, the then secretary of this Association, Mr. S. N. D. North, the successor of Dr. Hayes, appeared before the committee, and in suggesting that a 5 per cent leeway be given a trial, said:

The argument in making 5 per cent the point where the additional duties shall begin was very well stated by this Boston committee when it said that by fixing the limit at 10 per cent, which was also the limit prior to the passage of the present administrative law, the law places a premium upon undervaluations below that figure. I do not think there is

any escape from that conclusion. As a matter of fact, the undervaluations which the appraisers detect are generally kept below the 10 per cent point—I might almost say as a rule—simply for the purpose of avoiding encroachment beyond the penalty limit. It was the judgment of the tariff commission that a difference of 5 per cent was ample margin to allow for difference of opinion as to the value of imported articles. I see from the hearings held before this committee that Secretary Hamlin proposes that the penalty shall begin at once with any increase of appraisement over invoice value; and that it shall be 1 per cent for every 1 per cent of undervaluation, instead of 2 per cent for every 1 per cent as now. That proposition is a rather drastic one; but I believe a margin of 5 per cent is an ample margin to allow for differences of opinion, and that anything beyond 5 per cent is an invitation by the law for dishonest importers to undervalue to just below 10 per cent of true value, for the purpose of getting the benefit of the avoidance of duty to that extent.

Every importer who chooses to do so can keep within the penalty line with a margin of 5 per cent in his favor. The purpose of the law is to stop undervaluation, and the way to stop undervaluation is to stop it, and not to encourage it. If the committee will carefully consider these two propositions, I feel sure they will find in them the most effective means to stop undervaluations. It is simply a plan to go back to the original suggestion made ten or fifteen years ago after the most careful consideration by the best experts in the country at that time, and agreed upon with practical unanimity as being the proper limitations upon permissible undervaluation. We have tried the 10 per cent limit, and the universal testimony before this committee is that the 10 per cent limit has been a failure. We never tried the 5 per cent limit. Let us try that and see whether it will also be a failure.¹

Fortunately, in considering this subject, we shall be wholly unembarrassed by any political or economic issues. “It is,” as another has written, “purely a practical question as to the best means of remedying an evil universally admitted *except* by those who turn it to their own fraudulent advantages.”

Fortunately again, it is not a question requiring many new arguments to be advanced by the writer, but one which has

¹ Hearings on Administrative Customs Law before Committee on Ways and Means, January, 1896, pp. 101 and 102.

been so thoroughly investigated by competent and unbiased committees and commissions that an examination of their findings, suggestions, and arguments will throw convincing light on the question and place our conclusions on a solid foundation, against which, we believe, the assaults of opponents will be directed in vain.

A CENTURY-OLD TROUBLE.

Undervaluation of imported merchandise has been a most troublesome matter for nearly a century, chiefly because *ad valorem* rates in our various tariffs have afforded rare opportunities for unscrupulous importers to amass ill-gotten gains and swollen fortunes without any danger of imprisonment and with little or no danger of any financial loss, if their efforts to pass importations through the custom house at an undervaluation failed.

As early in the life of the government as January 19, 1818, the Hon. Wm. H. Crawford, Secretary of the Treasury, felt impelled to transmit to the Congress an elaborate report, based upon evidence, that frauds upon the revenue were committed in the importation of articles on consignment paying *ad valorem* duties. In that report he wrote :

There is just reason to believe that frauds to a considerable extent have been and now are committed upon the revenue, in the importation of articles upon consignment, paying *ad valorem* duties.

The practice of shipping merchandise from Europe to the United States on account of the foreign shipper, has greatly increased since the late peace. The immediate cause of this increase may be probably found in the general distress which at and since that epoch pervaded universally the manufacturing establishments, from whence our supply of foreign merchandise has been principally derived. The manufacturers, unable to dispose of the products of their labor in their accustomed markets, assumed the character of exporting merchants, and shipped their merchandise directly to the United States, where it has been sold by their agents, or consignees. In adopting this course, not only the fair profit of the manufacturer and exporting merchant is concentrated in the hands of the latter, but also the loss which the revenue

sustains by invoicing the merchandise at the actual cost of the raw material, and the price of the labor employed in its manufacture. Should any part of this profit not be realized, from the circumstance of the merchandise being sold in a glutted market, or from any other cause, the articles reach the hands of the consumer at a rate lower than it [they] could be sold by the fair American importer. In either event, the honest American merchant is driven from the competition, and in the latter, the domestic manufacturer is deprived of the protection which was intended to be secured by the Legislature. But independent of this evasion of the revenue laws which, by those who practice it, may be deemed consistent with the principles of morality, a practice of a less equivocal character is known to exist in importations made by foreign merchants upon consignments. There is abundant reason to believe that it is now customary in importations of this nature to send with the merchandise an invoice considerably below the actual cost by which the entry is made and the duties secured. Another invoice, at or above the natural cost, is forwarded to a different person, with instructions to take and sell the goods by such invoice.

In this manner the person who enters the goods remains ignorant of the fraud to which he has been innocently made a party, and the fraudulent importer escapes with impunity. The facility with which frauds may be practised by permitting entries to be made by persons who know nothing of the correctness of the invoices by which the duties are to be ascertained, so strongly invites to the substitution of false for true invoices that the practice must necessarily become universal if suitable checks are not devised against it.

When Secretary Crawford made that report, the act of March 2, 1799, Section 66, then in force, was as follows:

If any goods, wares or merchandise, of which entry shall have been made . . . shall not be invoiced according to the actual cost thereof at the place of exportation, with design to evade the duties thereupon, or any part thereof, all such goods, wares or merchandise, or the value thereof, to be recovered of the person making entry, shall be forfeited.

Ever since that date to the present time we have had always present with us that dangerous and resourceful enemy, the undervaluer. It was, however, only within the

past twenty years that legislation was secured which perceptibly decreased this nefarious business. With our imports in 1791 worth only \$28,000,000, the opportunities for illegitimate gain were not to be compared with the chances offered when the total value increased to \$692,000,000 in 1887, and to \$790,391,664 in 1907. As the Senate Finance Committee observed in its report of 1888-89, manifestly "with such an increase some radical change in the system (of appraisement) is forced upon us. What might have been a perfectly satisfactory method in the former period, or even in 1842, . . . proves at this time unreliable, dilatory and very imperfect."

The act of 1799 was ineffective to prevent or curb the increase of consignments and undervaluations. They increased with the growth of our foreign commerce, because yielding greater returns to the men who would not or could not resist the temptations offered by the lax law then in force; for manifestly the difficulty of proving that the merchandise was entered "with design to evade the duties thereupon or any part thereof," was well nigh insuperable. As far as we have been able to discover in our investigation of the question, the first law by which it was attempted to compel those guilty of undervaluations to pay some penalty for their attempt to evade the customs was the tariff act of July 30, 1846, section 8 of which provided that "if the appraised value thereof" (imported merchandise) "shall exceed by 10 per centum or more the value so declared on the entry, then in addition to the duties imposed by law on the same, there shall be levied, collected and paid, a duty of 20 per centum ad valorem on such appraised value."

This section was reenacted by the act of March 3, 1857, amending the act of July 30, 1846, and was likewise reenacted as section 23 of the tariff act of June 30, 1864.

This law giving the privilege of 10 per cent undervaluation was scarcely more efficient in preventing the increase of undervaluations than the one it replaced, if reliance can be placed upon what Mr. Stephen Colwell, a member of the

Revenue Commission of 1865-66, said in his official report. He stated the situation thus :

The trade (our foreign trade) has for many years been taking a shape which has now grown to formidable dimensions. The factories, workshops, and the workmen are in Europe, the warehouse is in New York. Goods intended for the warehouse are invoiced at the factory cost, are entered at the custom house at that price, *the duties are largely diminished*, and the end of competition with cheap labor increased. The mischiefs of harboring a class of men whose business it is to debauch or mislead our officers, to rob us of revenue, and impair our domestic industry, are so apparent that they should long since have found a remedy. These foreign agents *coöperate constantly* for the evasion of our revenue laws, and their business is to nullify laws pertaining to our commerce and our industry.

The concentration of foreign commodities in New York gives this foreign interest the control of prices there, and of course, in a large degree, of the whole country. This is an advantage which places our home industry very greatly in the power of those who are interested to prostrate it altogether. It is well known that a few million dollars' worth of goods may be so sold as to inflict a loss on corresponding articles of home production to perhaps twenty times the amount.

Foreign manufacturers can, when they please, by means of cheap labor, abundant and cheap capital, *and the strong position they hold in New York*, assail our whole domestic system, and, without any material loss to themselves, inflict a blow upon our industry which disturbs the whole fabric of our industrial as well as our credit system.

Notwithstanding this forcible presentation of the frauds committed upon the revenue and the injuries suffered by domestic industries, no statute requiring close approximation to the actual value of the importation was passed by Congress, a comfortable leeway being permitted, and no adequate penalties being provided for importations not accidentally or ignorantly, but intentionally undervalued.

Prior to the passage of the act of 1874 in all cases where the appraised value exceeded the entered value by 20 per cent, proceedings of forfeiture were begun on the ground that

the entry was presumptively fraudulent; but after the passage of the act of 1874 — known as the anti-moieties act — the government was required to prove fraudulent intent, which was and is now almost impossible, and no seizures were made under it even when there was such excess of 20 per cent of the appraised over the entered value.

WHAT HAPPENED UNDER A TEN PER CENT LEEWAY.

Under the law as it stood in 1881 (Section 2900 of the Revised Statutes) it was provided that if the "appraised value shall exceed by 10 per centum or more" the declared value, — the limit the President now urges the Congress to adopt — "there shall be collected a duty of 20 per cent ad valorem on such appraised value."

This law gave rise to complaints of undervaluations so serious and so shocking to men of sensibility and business morality that the Tariff Commission of 1882 gave careful and painstaking efforts to discover the basis for the complaints, if basis there was. This Commission was in no sense partisan or sectional; for both parties, all sections of the country, and all shades of economic opinion were represented by the membership. The Commission heard many competent witnesses whose testimony and personal communications all agreed that undervaluation was practised largely and that the existing law was inadequate to remedy the evil. We annex excerpts from some of the striking testimony.

Mr. David C. Sturges, assistant appraiser in the appraiser's department at the port of New York, in recommending an increase of the penal duty for undervaluing merchandise, said:

There have been undervaluations to the extent of 75 per cent, or more, in which the intent to commit fraud could not be legally established. I have had recently an invoice of furniture in my division invoiced in francs (at 19 3/10 cents), where my advance to make value was more than equal to the substitution of the pound sterling for the francs.¹

¹ Report of Tariff Commission, Vol. I., p. 506.

Mr. L. B. Carhart, an examiner in the appraiser's department of the New York custom house, having "the supervision of the article of French worsted goods," said :

I should say that about one-half of the goods I handle are consigned. In other words, they are owned by the manufacturer until they are sold, and the proceeds collected here. Of course the tendency is for the manufacturer to try to get his goods from the custom house at as low a rate of valuation as possible. I think it is not unfair to presume that they would invoice their goods at 25 per cent less than they do, if they thought they could get them through the custom house at such prices.¹

He further said, "that there was more of a tendency towards undervaluation when goods were consigned to agents than when they were purchased."²

Mr. Marshall Field of the firm of Marshall Field & Co., of Chicago, importers of dry goods, speaking of foreign merchandise, such as "silks, velvets, ribbons, laces, kid gloves, fine shawls, and similar merchandise," said :

To-day, it (the trade) is almost entirely in the hands of Frenchmen and Germans, mostly aliens, and agents of foreign principals, and men who have no interest whatever in this country save to make their fortunes in it, and then return to make their residence in Europe. An American merchant cannot go to the foreign market and buy these goods for importation at the ruling foreign prices, except at a ruinous loss. They are delivered in the United States to the agents I have mentioned only in prices in American money, which is done to avoid establishing a foreign market value. This is a business very hard to detect; and the American Government, with all the forces at its command, in the shape of consuls and special agents, has been unable to break it up.³

Mr. William Kent, assistant appraiser in the silk department of the New York custom house, said :

I suppose the fact is, we are passing many silks, colored and black, at 10 per cent below their value, because we have

¹ Report of Tariff Commission, Vol. I., p. 522.

² *Ibid.*, p. 521.

³ *Ibid.*, p. 1048.

no means of knowing their true value. None of the goods are bought, — they are all consigned; and every manufacturer (foreign) tries to see how low he dares to invoice these goods, with the hope of their passing the custom house.¹

Mr. George C. Tichenor, special agent of the Treasury Department, said :

There is scarcely any kind or description of merchandise subject to ad valorem duty, imported into this country from beyond the seas, but has been or is being undervalued, more or less. I would not be understood as saying that all of any class has been undervalued, but that some of all classes have been, even of regular purchases; while those consigned to agents for sale on commission, notably from the Continent of Europe, have been, and are being, as a rule, considerably undervalued. . . .

By means of the consignment system now so generally in vogue, foreign manufacturers and shippers have been enabled so to close the avenues of information as to the market values of their products in the country of production, as to enable them to undervalue the same with comparative impunity. It is the habit of many manufacturers and shippers, so consigning, to make, or have made, goods specially for the American trade, which differ in width or style from those made for their home trade and other markets, to such an extent as to render it difficult to identify them sufficiently with such other goods, as to fix their true market value.

It is well known that for years past even our wealthiest and most extensive importers have been unable to purchase in regular way abroad very many of the most important articles and classes of merchandise made there, but have been compelled to buy them to be delivered through commission agents in this country, at the dollar price, — duty paid, of course. This system is becoming more and more general, and its disastrous effects, both upon the revenue and the legitimate importing trade, are becoming more marked year by year.

THE TARIFF COMMISSION OF 1882 AGAINST THE MARGIN.

The report of this Commission may safely be accepted as representing the best opinion of men considered competent for the task on which they were engaged. In treating of

¹ Report of Tariff Commission, Vol. I., p. 516.

undervaluations and in *unanimously* recommending the repeal of Section 2900 — a return to the provisions of which the President urges and the Secretary of State advises to “strengthen the present good understanding between the United States and Germany without prejudicing in any way the fiscal or economic interests of the United States”—the Tariff Commission, respecting the evils which existed and flourished under that law, reported as follows :

The proposed amendments to Section 2900 are, as it will be perceived, radical and important ; the law at present merely permits the appraisement, and in practice, unless there is some cause for suspicion, the invoice is often taken as correct without much, if any, investigation. We think that there should be an appraisement separate and distinct from the invoice in all cases.

Under the existing statutes, no penalty is imposed unless the appraised value exceeds the entered value 10 per centum or more ; and then (on variance of a few cents often) there results the imposition of a 20 per centum penalty on the entire appraised value. This is believed to induce the making of entries by unscrupulous importers as nearly as they regard safe within the limit, while on the other hand great hardships frequently occur to honest importers who have made some mistake, and are subjected to this penalty from which they can have no relief.

From the information at our command we have been led to believe that the ordinary range of honest difference of opinion in values of imports will not exceed 5 per cent, in the absence of error or mistake, and the proposed amendment imposes no penalty where the difference does not exceed that percentage ; the proposed section then provides for a gradually increasing penalty, until the appraised value exceeds the entered value more than 15 per centum, and then declares that such excess of 15 per centum shall be presumptively fraudulent, and that the collector shall seize the goods and proceed to forfeit as in other cases for violations of the customs laws ; and that in such proceeding the fact of the undervaluation exceeding 15 per cent shall be presumptive evidence of fraud, and throw on the claimant the burden of removing the presumption by proof. We think there can be no doubt that systematic undervaluation is rather the rule than the exception, as seems to be evident from the well-established fact that persons visiting European countries are

often without request tendered an invoice at less than the price paid, with the explanation (when explanation is asked for) that it is necessary to enable them to enter the goods without paying full duties ; and from the further fact, which seems equally clearly established, that many European manufacturers decline to fill orders or sell goods for this market except through their agencies established in this country, so that the importing business is largely passing into the hands of consignees, who are mere agents for the foreign manufacturers. It is claimed that these arrangements are not unfrequently made for the purpose of defrauding the customs laws, and there is reason to believe that the claim is not without foundation.

Fraudulent undervaluation, when it occurs, is not only injurious to the government by depriving it of revenue to which it is entitled under the laws, but is also destructive of the business of the honest importer, who cannot successfully compete with those who thus avoid payment of a considerable proportion of the revenues to which he is subjected. The purposes of the amendment are to discourage experiments in even slight undervaluation by imposing penalties which, while not too severe, will probably result in loss, and to expose the importer to forfeiture in cases where the undervaluation is so great as to be beyond the range of probable honest difference of opinion or mistake, reserving, however, in all cases, authority to grant relief when the collector and Secretary of the Treasury are satisfied that the undervaluation is the result of manifest clerical error or mere mistake, and without any intention to undervalue or defraud the revenue. We recommend the proposed change in the confident belief that it will be advantageous to the government and to honest importers.

THE VIEWS OF CHAIRMAN HAYES.

Dr. John L. Hayes, chairman of the Tariff Commission, in an article on the "Prevention of Undervaluation," said :

The admitted abuses of valuation in the entry of imported goods so seriously affected the interests of the government, honest importers, and domestic manufacturers, that further legislation to remedy these abuses was an imperative necessity. . . . The only remedy existing was the imposition under Section 2900 of the penalty of 20 per cent additional duty when the appraised value exceeded by 10 per cent the value declared in the entry. This penalty was too

small for cases of actual fraud and too large for errors of judgment on the part of honest but inconsiderate importers. The present law [similar to the one recommended by the President and his German Commission] encouraged a general system of undervaluation within the range of 10 per cent, as there was no penalty unless it exceeded that amount, whereas each experiment in undervaluation beyond the line of a reasonable difference of opinion ought to subject the importer to a loss proportionate to the extent of the undervaluation.

The adoption of 5 per cent as the limitation of an honest difference of opinion as to values — a matter very carefully considered, the imposition of a certain, though not ruinous penalty for every experiment beyond that line — the penalty increasing in proportion to the extent of the undervaluation; the adoption by law of a reasonable criterion of presumptive fraud, viz.: an undervaluation exceeding 15 per cent; provisions not existing in the present law; all these measures were conceived and devised not less to protect the honest but inconsiderate importer than to afford a certain and practical remedy for fraudulent valuation.

As a result of the consideration of the testimony heard, and after mature and careful deliberation, the Commission unanimously recommended as a substitute for Section 2900 of the Revised Statutes an amendment of the law to provide that in all cases where the appraised value of any article, subject to an ad valorem duty, exceeded the entered value more than 5 per cent and not more than 15 per cent, then in addition to the duty imposed by law on such article there should be levied 2 per cent of such total appraised value for each full 1 per cent of such value above the 5 per cent. In case the undervaluation should exceed 15 per cent, the entry was to be deemed fraudulent.

The chairman of the Tariff Commission is authority for the statement that “the Commission had in its own body a member, Colonel McMahon, of unsurpassed experience in the administration of the customs laws, of excellent sense, and of eminently judicial mind, who had made a legislative remedy for undervaluation the subject of peculiar attention.” The scheme submitted was devised by Colonel McMahon and reduced to legal phraseology by Judge Ambler, who wrote

the comments on the measure in the report. As indicating the care with which the proposed law was considered, it is well to quote again what Chairman Hayes has said :

It was subjected to careful consideration at successive days, word by word and line by line, and with but slight, if any, changes received the unanimous sanction of the Commission.

In the struggle attending the passage of the tariff law of 1883 the recommendations of the Tariff Commission, however, did not receive the attention to which they were entitled, and no attempt was made to change the law permitting undervaluation.

But the agitation for relief from the burdens placed by undervaluing pirates upon men attempting to conduct their business on legitimate and honest lines did not cease, and on January 15 of the following year (1884) the House of Representatives passed a resolution requesting the President to forward to the House, information, including reports from consuls and others concerning undervaluation, false classification, and other irregular practices in the importation of foreign merchandise.

SECRETARY FOLGER REPORTS ABOUT CONDITIONS.

In complying with this resolution the Hon. Charles J. Folger, Secretary of the Treasury, reported to the President in part as follows :

These papers seem to furnish conclusive evidence of general and extensive undervaluation of imported merchandise subject to ad valorem duties. They show that this evil has been steadily growing since the passage of the law approved June 22, 1874, entitled "An Act to Amend the Customs Revenue Laws and to Repeal Moieties."

Whatever may have been thought as to the need of protecting the rights of individuals by the enactment of this law, it is clear that its result has been to render the government almost powerless to enforce the revenue laws in cases of fraudulent undervaluation by foreign manufacturers or unscrupulous importers, and to work great injury to the interests of importers who refrain from engaging in this dishonest practice.

Besides the serious loss to the revenue consequent upon undervaluations, as indicated in these reports, the practice has a demoralizing influence upon our trade with foreign countries. The lack of safeguards against it offers a premium to dishonesty, and makes it impossible for an honorable manufacturer or dealer in Europe to compete with his less conscientious rival for the American trade, and the honest American merchant is precluded from importing lines of goods thus undervalued.

When such practices go unpunished the foreign shipper is practicably enabled to make his own tariff, subject only to the contingency of having the rate increased by the appraiser's advance upon his invoice valuation. It thus happens that when Congress enacts that the rate of duty on certain goods shall be 50 per cent ad valorem, it is found that perhaps only 30 per cent or 40 per cent is actually paid, according to the boldness and skill of the shipper and his American agent, in falsifying market values and deceiving the appraising officers.

The most skilful expert cannot be depended upon to fix values with absolute correctness; and where, as is now the case with many classes of imported goods, the true market values are studiously concealed by European manufacturers in order that no proper criterion for appraisements may be obtained, the difficulties confronting the appraisers are well-nigh insuperable.

Responsibility for a correct valuation should be placed upon the consignee who makes entry, and the fact that the invoice and entry are false should be deemed presumptive evidence of fraudulent intent, subjecting the goods to forfeiture unless innocence can be shown.

So long as the ad valorem system exists, equality and uniformity in its administration can only be secured by providing adequate means to prevent undervaluations. Such means are not to be found in existing laws.

ANOTHER INVESTIGATION AND ANOTHER REPORT ADVERSE TO THE MARGIN AND CONSIGNMENTS.

In January, 1885, the Hon. Hugh McCulloch, Secretary of the Treasury, owing to the conduct of certain special agents of the Treasury Department at the port of New York, was moved to order an investigation thereof. Three special agents of the Treasury, Mr. George C. Tichenor, Mr. O. G.

Spaulding — both of whom later became Assistant Secretaries of the Treasury — and Mr. A. K. Tingle, were chosen to make the necessary inquiries. A month later, in February, 1885, on the suggestion of the investigators themselves, the scope of the inquiry was broadened so as to include undervaluations, damage allowance, drawbacks and such other irregular practices at the port of New York as might come under their notice.

Before the investigation was concluded and the report made, the Arthur administration went out of office, Mr. McCulloch being succeeded by Secretary Manning, who, in his letter transmitting the report to the Speaker of the House under date of December 7, 1885, said: ¹

It is to be assumed that during the present and next fiscal year quite one hundred and fifty millions of dollars must annually be raised by duties on merchandise. The necessity of correct invoices . . . classifications and appraisements will exist, under any practicable and possible reform of a tariff to raise that large sum, but the peril to the government of false valuation in invoices need not be so great as now. . . . That false invoices, and the evasion of duties legally chargeable on merchandise, inflict definite evils upon the government and those who make true invoices and pay full duties, cannot be denied.

On the subject of undervaluation the three special agents reported to the Secretary of the Treasury, as follows: ²

Continuing the investigation of the methods of conducting the customs business at this port [New York], we have given careful consideration to the subject of undervaluation. While there is no doubt that the invoices of merchandise consigned to the United States for sale on foreign account are, as a rule, undervalued, this is notably true as to silk goods. During the past ten years, since the repeal of former restrictive and penal provisions of the revenue laws, a system of successful evasion of duties on silks has been gradually built up and established. This system of evasion has been a subject of frequent investigation and report at home and abroad. It is a matter of common notoriety in official circles.

¹ See Report of the Secretary of the Treasury on Collection of Duties, 1885, p. lvi.

² *Ibid.*, pp. 40-46, inclusive.

Then after devoting a paragraph to the difficulty of securing uniform and proper appraisement of merchandise coming to the country consigned to commission merchants for sale on foreign account or for delivery to a purchaser buying them at a dollar price — a price in United States currency — the goods to be delivered here, duties, freight, and charges paid, the report continues :

The essential feature of the consignment system is the concealment of the actual foreign market value, so that customs officers may have no standard by which to make appraisements. The greatest care is exercised in Lyons and Zurich and other principal silk markets to prevent the prices at which sales are made to European buyers from becoming known to any one who might possibly disclose them to persons connected with the American customs. So universal is this practice of concealment that there is no longer any such thing known to American buyers or customs officers as the actual market value or wholesale price of silk goods in the principal markets of the countries of production ; and this, to a great extent, is true also of kid gloves, laces, embroideries, and other articles, which are almost exclusively imported by consignment instead of purchase.

The extent to which specific invoices are undervalued depends upon the audacity of the shipper and the degree of confidence he has in the ability of his New York agent to pass them through the appraiser's office without incurring penal duties. The only risk to be apprehended under the law, as it has been administered for years past, is the advance of value upon appraisement.

Foreign shippers and their New York agents do not appear to regard this method of evading duties as in any degree unlawful. We enclose a list (Marked A) of invoices advanced beyond 10 per cent for the months of December, 1884, January, and a part of February, 1885. None of these cases have been referred to the district attorney for such action as he might deem proper. It is the practice of the collector's office, in cases of advances to a penalty, to waive a seizure and accept additional duty. The importer has thus come to understand that in undervaluing his merchandise he runs the risk neither of criminal prosecution nor of losing his goods. His object appears to be to enter his merchandise as low as possible and escape a 10 per cent advance. But if

such advance is made, he is sure of no punishment beyond the 20 per cent additional duty.

Attention is called to the frequent recurrence of undervaluations by the same importers; the advances range from 12 per cent to more than 100 per cent. We also invite attention to Schedule B showing advances of less than 10 per cent during the months of October and November, 1884, and to the frequent repetition of the names of the same importers on the list. A remarkable feature of these advances is that so many of them are just a shade under 10 per cent. For example, in eighteen invoices of one firm the advances ranged from 9.02 to 9.99 per cent, showing that the appraising officers, in passing the goods, apparently made careful computations with special reference to the penalty and this, too, on goods about which the best experts rarely agree within 5 per cent of the value. During the three months ending December 31, 1884, more than twenty-two hundred invoices were advanced on appraisements, two-thirds of which were invoices of forty of the leading houses receiving consigned goods, chiefly silks, for sale on foreign account.

Whenever, as at the present time, undervaluations have become as flagrant as to call for special inquiry by the Department, the agents of the foreign shippers, while defending with vigor the integrity of particular invoices in which they have an interest, frankly admit the general practice of undervaluing and deplore its demoralizing and injurious effect upon trade. . . . Under the present system, they say, the manufacturers are always cutting each other's throats. No matter how low one may invoice his goods, and thus be enabled to lower his selling price to the extent of the duties saved, another can undersell him by simply invoicing his goods a few centimes lower. . . . As one Swiss manufacturer expressed it, "the invoicing is largely a matter of conscience." No sales being made, the shipper invoices his goods at whatever price he pleases.

These special agents further reported that the entered value of silk importations at the port of New York for the year 1884, including additions made by importers themselves, was \$30,494,797. The undervaluation was reported at \$6,040,450 and the loss in duties at \$3,020,225.

The report continues :

There is always a reluctance on the part of appraising officers to advance values to the 10 per cent limit, as it is expressed, in the common parlance of the appraiser's store, "to put the importer to a penalty."¹ This idea runs through the entire proceeding, and according to the expressed opinions of the appraiser, is inseparable from it. The ascertainment of the true value of the goods, and the appraisement thereof is thus coupled with the consideration whether a penalty will be involved; if so, a strong effort will be made to reduce the appraisement, in whole or in part, so that the advance will be a shade under 10 per cent. This tenderness towards importers—this disposition of officials to shield them from the legal consequences of undervaluation—has tended to encourage and establish the practice.

Successful undervaluations have prevailed for so many years that the belief has generally obtained that nothing short of legislation will suppress them.

THE SENATE FINANCE COMMITTEE LOOKS INTO THE MATTER.

Notwithstanding the widespread knowledge among the commercial classes of the constantly expanding practice of undervaluation and the various reports made to Congress, neither the recommendations of the Tariff Commission, nor the bill drawn by Secretary Folger, nor the report of Secretary Manning resulted in any remedial legislation, so that after many inquiries had shown much injury done to varied interests by the practice possible under the old law, permitting and encouraging undervaluations up to 10 per cent, it remained on the statute books unaltered and unchanged and so stood when on December 21, 1885, Senator George F. Hoar, of Massachusetts, offered a resolution in the Senate which authorized and directed the "Committee on Finance by themselves or a sub-committee to investigate the frauds and abuses alleged to exist in the collection of the customs revenue at the port of New York and especially the subject of undervaluations of imported merchandise." The committee, it was provided, should "report the result of their investigation to the Senate with recommendations as to what

¹ See also page 139 for testimony of J. R. Leeson before Committee on Ways and Means in 1896.

changes, if any, should be made in the customs laws in order to prevent frauds in the importation of merchandise and in the collection of the revenue from customs."

On January 19, 1886, the scope of the investigation was enlarged by a resolution adopted by the Senate which authorized the committee "to make further investigation on the same subject at any other collection port in the United States."

On that day Senators Allison, of Iowa; Aldrich, of Rhode Island; Warner Miller, of New York; Beck, of Kentucky, and John R. McPherson, of New Jersey, were appointed by the chairman of the Finance Committee to make the investigation. Republicans and Democrats, protectionists and tariff for revenue advocates, — men of various shades of economic belief, were there represented. The term of Senator Miller expiring before the labors of the committee were concluded, his place was taken by Senator Morrill, of Vermont. The report¹ of this committee, submitted to the Senate February 16, 1888, recommended many changes in the law and gave, in considerable detail, the reasons for those changes. One change was a modification of Section 2900 of the Revised Statutes to provide that "if the appraised value of any article of imported merchandise shall exceed by more than 5 per centum, and not more than 20 per centum, the value declared in the entry, there shall be levied and paid, in addition to the duties imposed by law on such merchandise, a further sum equal to 2 per centum of the total appraised value for each 1 per centum above the entered value," — almost the recommendation made by the Tariff Commission.

In giving the reasons for this suggested change the committee reported, in part, as follows :²

It is proposed by this section to make the penalty proportionate to the undervaluation and to make it applicable to invoices advanced 5 per cent and over instead of 10 per cent and over as under the present law, the object being to prevent the *present habitual practice* of undervaluing so as to get

¹ Senate Report No. 295, Fiftieth Congress, First Session.

² See Tariff Testimony Finance Committee, U.S. Senate, Fiftieth Congress, 1888-'89. Part IV., p. 2694.

the invoice through the appraisers at an advance of just under 10 per cent and thus escape the statutory penalty of 20 per cent additional duty. It is assumed that a variance of more than 5 per cent between the entered value and the actual value as ascertained by the appraiser could not occur except through the fault or negligence of the importer. It is also assumed that a variance of more than 20 per cent could not result from mere negligence, and should carry with it the presumption of an intention to defraud the revenue.

A BOSTON COMMITTEE CONDUCTS AN INDEPENDENT INVESTIGATION.

In addition to the investigation made by the Tariff Commission of 1882, an independent investigation was made by committees appointed at a meeting of merchants and manufacturers held in Boston January 20, 1886, to suggest "for the consideration of the Senate Finance Committee facts as to undervaluations of imported merchandise, errors in classification, and evils in practical administration in the appraisal of merchandise which can be established by testimony." From the report of the Committee on Testimony we make the appended extracts, which supplement and support, in every particular, the findings of the Tariff Commission and the Senate Finance Committee. In part this report says :

The committee have made a careful, personal inquiry, as to the subject committed to them, have conferred with merchants engaged in importation, have employed agents specially informed as to the administration of our customs laws, and have sought all available sources of information.

The charge of undervaluation, particularly at the port of New York, can be sufficiently sustained in respect to silks, cottons, embroideries and edgings, woolen and worsted goods, some kinds of pottery and glass ware, cutlery, and ribbon isinglass, because it can be shown that these articles are invoiced and entered at less than their true market value.

The fact of undervaluation, as to these goods, can be established by the circumstance that regular dealers in these goods have been largely driven out of the importing trade, because they can purchase them delivered in New York at a less sum than they can import them direct.

These statements, particularly as to silks, embroideries, and edgings, can be sustained by domestic dealers in these

goods in our principal cities, who can show that the prices paid by them to the New York agents of foreign houses sometimes exhibit such an enormous profit upon the invoiced value, with duties added, as to admit of no doubt as to undervaluation.

The same system of undervaluation can be shown in the same manner in respect to woolen and worsted goods, *especially those from Germany, none of which are regularly imported*. It can be shown that woolens purchased in Germany are often shipped and invoiced from France; that French goods are shipped from London or Bradford; and English goods from France, with the evident purpose of having them examined in the appraiser's stores by persons not familiar with the goods.

It can be shown by documentary proof that cutlery, more *particularly goods from Germany*, has been for many years largely and systematically undervalued upon entry at the port of New York, and that in some instances there has been an excess of importation of these goods over the amount invoiced and entered.

Sufficient evidence can be adduced establishing the fact that a large proportion of the importations into the port of New York consists of consignments to agents or partners of foreign houses who ship the goods; that as a rule these consignees are foreigners; and that the system of consignment is adopted for the purpose of evading payment of the proper duty.

The Committee on Legislation, in considering the then existing law under which no penalty was imposed unless the appraised value exceeded the entered value 10 per cent or more, reported, in part, as follows: "This is a practical encouragement by law of a general system of undervaluation within the range of 10 per cent and an inducement to unscrupulous importers to make their entries as nearly as they regard safe within the limit." And in referring to the proper margin to be allowed for difference of opinion as to values, the report said: "This margin has been placed by experts at 5 per cent. It certainly should not exceed that. It may, perhaps, properly be less." . . .

REPORTS BROUGHT NO CONGRESSIONAL ACTION.

Notwithstanding the continued efforts put forth to have the law amended so that it would make it more difficult to

practise extensively the proven undervaluations in many lines of imported merchandise, the recommendations of the Senate Finance Committee, like the recommendations of the Tariff Commission, were not enacted into law, and undervaluers were still permitted and invited to continue their rich harvest of gain. It was not until some five years after Senator Hoar's resolution was offered that any legislation looking to an improvement of our customs administration was secured.

THE BOARD OF GENERAL APPRAISERS CREATED.

When the act of June 10, 1890, providing for the Board of General Appraisers was approved, it was quite generally believed that this Board would be able greatly to improve the administration of the customs laws; but, as it turned out, although some improvement was noticed, they were unable wholly to prevent undervaluations, the wide margin being an important factor in their non-success. With the law permitting a 10 per cent margin, the chairman of the Commission to Germany, in an article published in 1893, wrote, concerning the undervaluations as follows:

Ad valorem duties invite, encourage, and facilitate undervaluations and false invoicing. . . . For fifty years these things have been the scandal and the curse of customs administration. Investigation has followed investigation, under the rule of both political parties, always uncovering this fester at the custom houses. . . .

The public is little aware of the extent to which undervaluation is practised and the lamentable consequences which have resulted from the practice. . . . The proportion of textiles so imported has been placed as high as 90 per cent. They are consigned to foreign manufacturers' agents resident here; and American merchants are compelled to buy their goods from this class of "landing importers." . . . This means that the goods enter the country on undervalued invoices which destroy all possibility of competition on the part of the honest importer. No one familiar with the history of the importing business in New York requires to be told what a change has come over it in the past thirty-five years; of the great and honorable houses that have taken down their signs and closed their doors; and of the new

standards, the different ideals, the general demoralization which have come in as the old houses have gone out. It is a record both sorrowful and humiliating.

SECRETARY CARLISLE APPOINTS A COMMITTEE TO INVESTIGATE.

While the Board of General Appraisers were able to improve the administration of the customs laws, the new law so radically changing the administration of tariff laws was not entirely satisfactory to all whose interests were affected by it.

Probably the first expression of dissatisfaction by an organized body was at a meeting of the Boston Associated Board of Trade on February 16, 1891, when the delegates of the Boston Merchants' Association called the attention of the Board to the need of amendments to the act, and it was voted that the Committee on Customs of the Board be instructed to consider the matter. The committee, "after careful consideration through the year," presented a report December 21, 1891, in which it was said in reference to the law: "It is not surprising that in the framing of a law having such wide-reaching consequences, some errors, both of omission and commission should appear; it is rather a marvel that the changes which seem desirable should be so few."

Respecting section 7, which provided that "if the appraised value of any article of imported merchandise shall exceed by more than 10 per centum the value declared in the entry there shall be levied, collected, and paid in addition to the duties imposed by law on such merchandise, a further sum equal to 2 per centum of the total appraised value for each 1 per centum that such value exceeds the value declared in the entry," the committee reported:

This provision was directed against undervaluation and was intended to punish dishonest importers. It does not in all cases accomplish the purpose intended. By reference to the reappraisement decisions in New York it will be noticed that the advance is seldom more than 10 per cent.

In 1893, during the second administration of President Cleveland, the Hon. John G. Carlisle, Secretary of the Treas-

ury, appointed a special committee to report on the workings of the administrative act of June 10, 1890, and to examine the administration of the custom house. Of this committee the Hon. Charles S. Fairchild, ex-Secretary of the Treasury, was the chairman. After suggesting a number of changes deemed advisable, the committee reported respecting undervaluations, as follows :

Under the present system the importer has a margin of 10 per cent, within which he may incorrectly state the market value, subject to no greater risk, should his entry be advanced, than the payment of the regular duty on the amount added by the appraising officer to make market value. If, however, no margin is allowed for difference of opinion between the appraising officer and the merchant, there is always an inducement to the importer to state the market value as accurately as he can, irrespective of the price that he may himself have paid.¹

In 1894, in discussing the Wilson Bill, the minority of the Committee on Ways and Means reported to the House as follows :

It is in evidence before the Ways and Means Committee that there are lines of woolen goods, manufactured abroad almost wholly for the American market and sent here upon consignment, upon which no market value is placed until they have passed our custom house and evaded some share of their legitimate duty. . . . Where specific duties exist the home producer always has a definite standard by which he can operate with some degree of certainty. With a law such as is now proposed, his struggle will be against an antagonist in ambush, who has only to change his fictitious invoices to underbid every effort of the American to hold this market.

The enormous field for undervaluation that will be opened by the abolition of all specific duties on woolen goods is evident from the fact that the importations under this head equal \$36,987,904 in 1893, and ran up in 1890 to \$54,165,422, the average for the last five years being larger in amount than under any other tariff schedule.

¹ See House Report No. 792, Fifty-ninth Congress, First Session, p. 11.

In their report of 1895 the Board of General Appraisers wrote concerning undervaluations as follows :

Undervaluation is not only an offence against the government, but an offence against mercantile honor. It not only depletes the revenue but filches away the business of the honest importer and transfers it to the undervaluer. Nor are small undervaluations less disastrous to honest competing importers than large ones. An advantage of 5 per cent in price is sufficient to control the trade of an empire. It follows that undervaluation is a graver offence than the common one of evasion of State, county, and city taxation, because in the latter case no question of the business of a competitor is involved.

HEARINGS BY THE COMMITTEE ON WAYS AND MEANS IN 1896.

Early in January, 1896, extensive hearings were given by the Committee on Ways and Means on the general subject of what amendments should be made to the customs administrative act.

Judge Henderson M. Somerville, a general appraiser, in testifying concerning the increase of consignments and the difficulty of ascertaining correct valuations in that class of merchandise, said :¹ "The consignment business is increasing rapidly. There is no doubt about that, and I cannot see any reason why it should except that there are difficulties in the way of ascertaining correct valuations of this class of merchandise." Then the following questions were asked by Chairman Dingley and answers were given by Judge Somerville :

Chairman. — Do I understand you to say that the business of importations through consignors is increasing, and that the opportunities for frauds through undervaluations are greater when goods are consigned than when imported by purchasers ?

Judge Somerville. — I think so.

Chairman. — And is it not true that in a large class of these importations, where there may be a question of the

¹ Hearings on Administrative Customs Laws before Committee on Ways and Means, January, 1896, p. 5.

valuations, that the importations are through consignments?

Judge Somerville.—A very large proportion of them is.

And, in answer to a question by Gen. Joseph Wheeler, Judge Somerville said: "The tendency of the consignment business is very largely to drive out the purchasing business."

While Judge Wilbur F. Lunt, a general appraiser, was of the opinion that in some classes of goods it would be impossible to tell the value within 5 per cent, Mr. George C. Tichenor, another general appraiser, who had been a member of the committee that examined the administration of customs at the port of New York by appointment of Secretary Hugh McCulloch, favored the reduction of the limit for undervaluation from 10 to 5 per cent.¹

Mr. J. R. Leeson, president of the Boston Merchants' Association, when testifying concerning the working of the 10 per cent leeway provision, said:²

That section [7] might almost as well never have existed, in so far as the penal provisions go; they are practically inoperative. It is a fact that an examiner, when he is examining merchandise with a view to ascertaining a proper dutiable value, is largely influenced in his decision in regard to advancing values by the hard and fast lines of the penal 10 per cent provision. I know, from my own personal acquaintance, that is the case; also as a merchant appraiser under the system existing before the act of June 10, 1890. As a merchant appraiser, it always had its effect upon me. One would naturally hesitate about bringing the case of a competitor or friendly opponent in business to the line where a penalty would be involved.

That consideration acts with great force on the examiner and appraiser, and presumably on the Board of General Appraisers. They hesitate to put a man's goods up to a point involving an application of the penalty provision. The appraiser of the port of Boston, a thoroughly fearless man, stated recently that it was surprising to see the number of invoices that he had advanced which were returned to his

¹ Hearings on Administrative Customs Laws before the Committee on Ways and Means, January, 1896, p. 64.

² *Ibid.*, p. 82.

office from the board just enough below the line of 10 per cent to avoid the penalty. The local appraiser of New York, also a most able administrator of the law, is of the same opinion. This is a fact of such general acceptance that it is not worth while to waste words in endeavoring to substantiate its truth. It is a very serious question, however, what step would be best to take under those conditions to bring about a different state of things.

Mr. Walter H. Bunn, appointed an appraiser in August, 1893, was the only witness appearing before the committee who advocated no "penalty" — additional duties — unless the invoice was advanced at least 10 per cent, and as a reason for his opinion he stated that experts will vary in judgment of valuations from 5 to 10 per cent. In reply to a question by the chairman of the committee, asking whether it was not true that the British customs laws and the general laws of most of the nations of continental Europe impose an additional duty for all undervaluations which exceed 5 per cent, Mr. Bunn replied, "Yes, sir, I think that is true."

(To be continued.)

NOTE. — This examination of the long struggle to lessen, if not to prevent, undervaluation of imported merchandise was suggested by the concession yielded in the German agreement by the American Commissioners and urged for enactment into law by the President in a special message to the Congress.

It is an attempt to collect in convenient form for reference the salient points of the testimony of expert witnesses on the prevalence of the undervaluation of imported merchandise — much of that evil being due, in their opinion, to the consignment of such merchandise and the wide margin of 10 per cent allowed by the law prior to 1897 for such undervaluation.

No bibliography on the subject being known to the writer, the article has become so lengthy, by reason of discoveries of unexpected material in investigations and reports, that the allotted space in the June Bulletin is sufficient for only a portion of the article. Therefore an apology for its appearance in this and the following number seems to be due our readers; but the importance of the subject and the desire to make the article fair, accurate, and complete, inasmuch as the necessary material here collected is widely scattered and hidden in volumes seldom examined, must be our excuse for so exhaustive a treatment of the subject.

If the results of our investigation arouse to activity those whose interests are threatened by the proposed legislation and convince those by whom such legislation can be defeated that the 10 per cent margin for undervaluation should not again be written in the law, our purpose will be achieved. — ED.

PREPARATION OF WOOL FOR MARKET.

AN EFFORT TO SECURE BETTER METHODS BY COÖPERATION BETWEEN
WOOL GROWERS, WOOL MANUFACTURERS, AND WOOL BUYERS.

A CONFERENCE OF THE THREE INTERESTS.

DURING the early part of 1907 the writer requested the Secretary of the National Wool Growers Association to coöperate with this Association in an effort to improve the condition of the domestic wool as it is prepared for market. His overtures were met in a most friendly spirit, and tentative plans were entered into for carrying forward the work; but before anything could be done, he became seriously ill, and the project was laid aside temporarily. The suggestion, however, was kept in mind by Secretary Walker of the Wool Growers Association, who, in his annual report for the meeting of 1908, suggested the desirability of sending a small committee to Boston to confer with the officers and members of this Association on this important matter — important to both the wool grower and the wool manufacturer.

In February a committee of the Wool Growers Association was in Washington to attend hearings before congressional committees pertaining to matters in which they were interested, and there the writer met them to decide upon a day for the proposed conference in Boston. Considerable delay in fixing upon an exact date ensued, owing to protracted hearings before the congressional committees and the illness of Mr. Fred. W. Gooding, President of the Wool Growers Association, who was stricken with an attack of typhoid fever. On that account the day for the conference could not be fixed until February 28, when President Whitman sent out a number of invitations to manufacturers and wool dealers asking them to be present at the office of this Association on the following Monday, March 2.

Owing to the very short notice and business appointments previously made, regrets were received from a number of gentlemen much interested in the conference who would have been present, had it been at all possible.

As showing the importance of this matter, and the keen interest manifested in it, we quote the appended extract from the letter of regret written by a well-known worsted spinner, who was unable to be present at the conference. He wrote:

I now fear I cannot attend. It would be interesting to be able to show them (the wool growers) the things that wool users object to when buying wool, and impress upon them what would seem to be of mutual benefit to have changed. To-day, I opened some Ohio fleeces that are tied with loose sisal grass twine, also heavy cord or rope—enough to equal from 2 to 3 per cent or more of the gross weight; and of course no effort to grade is done generally in the West.

If the things which are not wool could be eliminated, and buyers could buy only wool fit to use, prices could be adjusted to true value and with much satisfaction.

Notwithstanding the short notice, the following were on hand to greet the representatives of the wool growers: Messrs. William Whitman, President, and Franklin W. Hobbs, Treasurer of the Arlington Mills; Frederic S. Clark, Treasurer, Talbot Mills; Harry Hartley, President, Victoria Mills; William R. Cordingley, Treasurer of the Woonsocket Worsted Mills and other mills; Frederick C. Fletcher, of the Pocasset Worsted Company; Edwin F. Greene, Treasurer, Pacific Mills; William Price, wool buyer for the Arlington Mills; and the following Boston wool merchants: Messrs. Charles F. Avery of Mauger & Avery; G. W. Benedict; J. Koshland of J. Koshland & Co.; William Farnsworth of Farnsworth, Thayer & Stevenson; Leslie H. Johnson of Luce & Manning. The gentlemen representing the growers were Dr. J. M. Wilson, Douglas, Wyo., western Vice-president of the National Wool Growers Association; P. G. Johnson, Blackfoot, Idaho, and L. L. Ormsbee, Boise, Idaho, Mr. Johnson being the representative of Idaho on the executive committee of the National Wool Growers Association, and both he and Mr. Ormsbee being members of the Idaho Wool Growers Association. Secretary Walker was in Boston the Saturday previous, having expected the conference to occur on that day, according to an understanding with his committee; but owing to business engagements previously made, he was obliged to start that day for the West. As before stated, President Gooding, who had expected to be present, was prevented by illness from leaving Washington.

The meeting was called to order at 2 P.M. by President Whitman, who read the notice of the call for the conference—a letter inviting gentlemen to be present, which was as follows:

FEBRUARY 28, 1908.

DEAR SIR: A telegram has just been received informing me that the President, Vice-president, and Secretary of the National Wool Growers Association will be in Boston on Monday next, and they have asked to have

a conference with the National Association of Wool Manufacturers on that date in reference to the putting up of wool for the market. I have therefore arranged for such a meeting to be held at the office of the National Association of Wool Manufacturers, No. 683 Atlantic Ave., Cor. Essex St., Boston, Room No. 36, on Monday next, March 2nd, at 2 o'clock in the afternoon.

As the matter is one of considerable interest to the wool manufacturing industry, I have asked several gentlemen engaged in the wool trade, as well as in the wool manufacture, to be present on that occasion. You are hereby invited, and I hope may be able to attend the meeting. This is the first time that overtures of this kind have ever been made to our Association, and it affords hope that the meeting may be useful. If you wish to bring your wool buyer with you, please do so.

Yours very truly,

Signed WILLIAM WHITMAN,
*President, National Association
of Wool Manufacturers.*

In explaining the purpose of the conference, Mr. Whitman said:

The manufacturers and wool dealers have been greatly interested in having wool come to the market in a far better condition than it has been coming for a number of years. A former president of this Association, Mr. Charles H. Harding, of Philadelphia, went into the whole subject fully at a meeting held in Portland, Oregon, a few years ago. We have had several meetings in reference to the matter, but, as far as I know, nothing has ever resulted.

These gentlemen, representative men in the different wool-growers' associations, have come here and we shall be glad to hear what they have to say; afterwards it will be a good plan to mingle with each other and show these gentlemen what is sent to this market, as well as to other markets of the United States, in the bales of wool.

Mr. Whitman then introduced Mr. Johnson, of Idaho, who said in part:

In attempting to address you on subjects that vitally concern us and you it will be necessary to refer to conditions as they are in our western country, particularly those of the ranges. The forest reserves of the United States to-day occupy almost the entire range of the sheep that are raised west of the Mississippi River. In Idaho, for example, we have 37 per cent of the State, or something to exceed 18,000,000 acres, in a reserve that is governed by the Bureau in Washington, and with which we have had considerable difficulty, because conclusions are reached from theories by men who have had little or no actual practice. Take, for example, the estimate of the forage supply as it is made, based on the reports of men who are working for \$70 per month. It is sent by the various foresters to the Secretary of

Agriculture in Washington, and the Secretary of Agriculture issues what are termed "Letters of Authorization" for the next season, but the forage has not even been produced or grown. Climatic conditions are lost sight of. The entire thing is evolved from theory alone. Under this process the State of Idaho has lost 1,300,000 sheep during the last three years, and during the last two years, a million sheep, and seven and one-half million pounds of wool; and speaking from the standpoint of the wool manufacturer, purchaser, and grower, the East also has been a loser.

Under the theory that there is only forage for 1,300,000 fewer sheep than we had three years ago, we are, according to our judgment, just that much worse off; whereas, the fact is, the same acres are there, the same range; and before the supervision took place there was produced a class of wool just as good as we now have, and as much wool per sheep; a class of meat equally as good and as valuable, and the range was in just as good condition, and in some instances it was better.

Stockmen, from the laws of preservation, are better off when able to move their stock around than they are when boundaries are set for them by men who are not competent. A man who works for \$70 per month, whose word is taken for this would be worth \$700 if he knew the situation. We have produced that much less wool because we cannot get the opportunity to produce it. We could just as well ship 10,000,000 pounds more, as to ship that which we do.

We do not want the *honest* wool grower of the West blamed for the thoughtless actions of a few men who are not fully aware of the evil consequences of their lack of discretion, not to say their lack of honesty. It has become a habit for the last twenty-five years with certain men, who are really not dishonest, when about to finish shearing, to throw into the bags, overalls, shears, or anything that may be handy. Labor, sheep-shearing labor particularly, has been so phenomenally high, that we pay more and get less than ever before in the history of wool production. The shearer races with his neighbor, and clips the fleeces off, and unless they are taken at once and tied up, they go into the corner. I would suggest that if enough protests come from the manufacturer and the purchaser, this practice can be stopped, in this way, — if there be no other means at hand, — by putting into the contract that the wool must be honestly packed and well tied in single fleeces. It appears to me that the grower, who is desirous of being *honest* in this matter, will not refuse to guarantee, so far as it lies in his power to make it so, that such is the condition of his clip.

Another suggestion I would make is to offer a prize to some scientist to discover a marking ink that will remain intact upon the sheep and serve to identify it, but which, during the scouring process, will be dissolved.

Mr. Johnson then showed how much trouble was caused flockmasters by the washing off of the marks; how essential and important to the rightful owner of the sheep it is to have them branded or marked so that they can be identified as the statutes require. He recognized the desirability of securing a marking fluid that will meet the requirements of the sheep men; that will not wash off with the rains to which the sheep must be exposed, and at the same time meet the demand of the wool manufacturer — that it will not injure the wool for his purposes.

Mr. Whitman next introduced Dr. J. M. Wilson, one of the Vice-presidents of the National Wool Growers Association, who said in part :

My own annual clip since 1892 has been from 150,000 to 350,000 pounds. We have done our own weighing and our own billing, and we have never had a claim for underweight, except once, and there was something wrong with the scales at that time. We have sold wool to only four houses since 1892.

The western men are not opposed to forest reserves, as you can see by the resolutions passed at the last meeting of the National Wool Growers Association. They believe there should be reserves at the fountain-heads of streams to prevent extraordinary floods, and to furnish a certain amount of shade, but what they object to is that lands not forested are included in the reserves; and you can be taken miles and miles through the forest reserves of the United States and not find wood enough to boil a cup of coffee.

Another thing that we object to is the method by which these reserves are carried on and operated. They are absolutely in the hands and power of one man, and that man to-day on three forest reserves last year sold 1,700,000,000 board feet of lumber, although they tell you they are conserving the timber. There is another condition. You are granted certain rights and privileges by payment of a certain amount, then you do something, and your accuser, prosecutor, jury, and judge are one. You are fined \$25 — \$50 — \$100, and you must pay the fine or you will lose the privileges.

They say the ranges are being destroyed. The number of cattle in the State of Wyoming to-day has nearly doubled in the last ten years; the sheep have more than doubled, — and horses have increased 11 per cent. Wyoming is carrying more stock to-day by 50 per cent than it was ten years ago. One-fifth of the grazing area of Wyoming is taken up in forest reserves which do not furnish one-twentieth part what they used to furnish. The forest reserve grazing is the best grazing in the West. The western development of the present time is as nothing compared with what the development of the future will be. When they

talk of the immense herds ruining the smaller settlers they are talking of a condition that does not exist. It existed perhaps twenty years ago. Migratory bands of sheep have passed out of existence.

There will be no land legislation this year in regard to the ranges. Some men are beginning to weaken. There is not a man in the United States with wisdom enough and knowledge enough of conditions to frame a law in regard to the public lands that would not do irreparable damage and stop development. A law that would suit the south side of the Platte River would ruin the north side. A law that would help one would not help the other.

Mr. Ormsbee was then called on, but, as he wished to hear from the manufacturers, made no remarks.

Mr. Whitman then said :

I would suggest that the literature on the subject be left with the Secretary of this Association so that the matter may be taken up with a view to possible action in the future. Dr. Wilson says that there is no danger of legislation in the immediate future ; therefore any assistance that might be wanted from this Association would be wanted at a later date, when the case may come up again. One of the principal objects of your coming here, if not the principal object, was to confer with those who deal in and use the wool, to see what troubles exist and whether it may be possible to remedy them. Movements in this direction are going on all over the world. Complaints are made about the manner in which wools are put up in Great Britain and Australia. It would be a waste of time to go into any general discussion at this point. The best way, it seems to me, is to see what the defects are, and whether, in our common interest, better methods can be adopted. Then let us see if, by a united effort, the defects cannot be remedied.

Mr. Whitman then declared an intermission of thirty minutes to examine the samples of wool brought to illustrate defective methods of preparation.

After the meeting was again called to order Mr. McPherson read the following synopsis of the remarks made by Mr. Francis Willey, who presided at the annual meeting of the Home Wool Buyers' Association, recently held in Bradford, England :

"In urging the English wool growers to put their clip up in better shape, Mr. Willey said at their last meeting he mentioned some districts which were much at fault as to the manner in which they brought their produce to the market, and he had been pleased to note a very marked improvement in wool from

these districts. At their last meeting he also pointed out that their best customer for home-grown wool was America, and explained that because of the duty which America had to pay for all wools to be imported into that country they could buy only the best classes and lightest conditioned. Just in proportion as there was an improvement in the get-up of home-grown wools, so would the demand for the United States increase. They would also be able to pay a better price for the article, for it was obvious that they could not afford to pay six pence per pound duty on dirt, straw, and grease. If they could send home-grown wool to the American market in the best fashion, there would be an increasing demand and much better prices, and the logical conclusion was that the farmers would benefit in the long run."

The lesson therefore is, Mr. McPherson said, that if domestic wool growers are to compete with English wool growers they must keep in line with their improvements. The American manufacturer must have his wools in the best condition possible in order to make the best cloth for his customers.

Complaints about the way their raw material comes to them is made not by the wool manufacturers alone, for the American cotton manufacturers, along with the British and other European users of our domestic staple, are loud and persistent in their complaints of the way cotton is prepared in the United States for market. Comparison with Egyptian cotton packing is as much to our disadvantage as is a comparison between the way in which Australasian wool and American wool is prepared for market. The American wool manufacturer feels that he has a real grievance in his complaint about extraneous matter in domestic wool. We have the assurance of the Secretary of the National Wool Growers Association that he will do all in his power to aid the reform desired. By a concerted effort on the part of the wool growers, wool dealers, and wool manufacturers, we hope, if we cannot completely remove the cause of the complaint, to reduce it to a minimum, at least.

Mr. Fletcher moved the adoption of the appended resolutions, the motion being seconded by Mr. Koshland.

RESOLUTIONS.

Whereas, For many years complaints have been made by the wool manufacturers of the country of the way in which the domestic wool clip is prepared for market; and

Whereas, Efforts are being made to improve the clips of all countries competing with the wools of the United States; and

Whereas, It is the opinion of the wool manufacturers and wool dealers present at the conference between representatives of the National Association of Wool Manufacturers and officers of the National Wool Growers Association held in Boston, March 2, 1908, that if the wool growers of this country will improve the condition of the clip as it comes to market such improvement will not only benefit the buyer and the domestic wool manufacturer, but also greatly increase the return received by the wool grower for his product; therefore be it

Resolved, That this conference heartily endorses the efforts being made by the officers of the two associations to impress upon the wool growers of the United States the importance of improving the condition of their clip for market, by omitting from the fleeces all extraneous matter and by using suitable twine for tying.

In discussing the resolutions Mr. Whitman said :

Efforts have been made in this direction for a great many years, but as a matter of fact there has never been what I would call a real vigorous attempt to improve the condition of things, owing, perhaps, more largely to agricultural conditions independent of sheep growing. The wool coming from the Middle States is in a worse condition than ever before. I do not believe that the wools of the Territories contain anything like the proportion of foreign matter that the wools of the Middle States contain. In fact, these wools are coming in such bad condition that they cannot be used for many purposes. It has come to a point where all manufacturers of woolen goods carbonize the wool in order to take out the vegetable matter, and I believe there ought to be, and so far as I have any influence, I will see that there is a vigorous effort made to have wool put up in as good shape as it was twenty years ago, particularly as to freedom from vegetable matter. Some of the most objectionable features in the preparation of wool have been explained by the gentlemen while we were not in session. An undue amount of heavy twine or rope, and the use of twine made from sisal grass, are the worst. There are similar difficulties in the cotton trade. Take cotton yarn as an illustration. It is put up in a certain form — cops are wrapped in paper — and at the suggestion of the users 2 per cent was allowed to cover the weight of cops and the paper used to wrap them, for they object to paying the price of yarn for paper and cops, as we object to paying the price of wool for heavy twine, sisal grass, and other vegetable matter. If this were the only element it would not be so serious, but when that stuff gets into a fleece of wool you cannot get it out. It has been stated to me, and I know it to be a fact, that many men will not have at any price wool that has sisal grass in it.

Since 1866 this Association has held the closest relations with the National Wool Growers Association. Through the influence of the men who led the wool manufacturing interests of New England forty or more years ago, a working agreement was made with some representative wool growers; and although there have been differences of opinion as to tariff rates, from time to time, when legislation was pending, there has never been a difference of opinion on the fundamental principles that underlie our organizations.

Wool growers have united with us in the belief that there ought to be built up in our own country a great wool manufacturing interest, and that the army and navy of our country should be enabled to depend upon our supply. The fundamental

principles have ever been maintained. We may differ as to rates but we have secured harmony by saying to the Congress, "Gentlemen, you fix the rate of duty on the wool. We shall neither advocate a lower nor a higher rate, but whatever duty shall be considered essential for the maintenance of the wool-growing interest in this country, we will gladly give our assent to, and you must give us a compensatory duty to enable us to maintain our branch of the industry." Anything that is done in the future ought to be done for our mutual advantage.

Dr. WILSON. — The reason we did not mention the tariff proposition was because it will not come up for another season. With regard to wool, we want a certain tariff on it that will give us a fair chance. We are willing to have this tariff added to the manufacturer's tariff.

If you were asked to name the subject that is having the most attention in the civilized world, without a moment's hesitation, you would say tuberculosis or consumption. I have been looking up the statistics of the post-mortem inspection of meat animals, and I find according to the annual report of the Agricultural Department that sheep are more exempt from tuberculosis than cattle or hogs, and that mutton, therefore, is the safest and most healthful meat for people to eat.

President WHITMAN. — Dr. Hayes did more for sheep husbandry than any other man that has lived in this country.

Dr. WILSON. — If the President of this Association would take up the matters with the President of the Wool Growers Association and appoint a committee to formulate plans for coöperation it would make a practical way to get a start, at least.

The resolutions were unanimously adopted, after which adjournment followed.

The day after the conference Mr. Franklin W. Hobbs gave a luncheon at the Union Club in honor of the visiting representatives of the Wool Growers Association, to which were invited a few gentlemen who were unable to attend the conference on the preceding day. Among those present besides the host and visitors, were Mr. Jacob F. Brown of Brown & Adams, Mr. Wm. Farnsworth of Farnsworth, Thayer & Stevenson, Mr. Andrew Adie of the Moore Spinning Company, Mr. Edwin F. Greene, Treasurer of the Pacific Mills, and the Secretary of the National Association of Wool Manufacturers. In an informal manner, not possible on the previous day, the complaints made by the wool manufacturers concerning the domestic clip and its preparation for market were carefully stated, and the difficulties under

which the wool grower in the far West labors, the methods of buying wool, and suggested remedies for the various troubles were candidly discussed. Owing to the informal, conversational method of discussion, no shorthand report could be made, and the appended synopsis seems to be the only way to preserve any record of the hour's exchange of views.

It was suggested that greater care should be taken in the shearing, so that greater evenness may be secured in the length of the staple. Never should there be two lengths of wool in the same fleece, clothing and combing wool, as is often the case, due to the shearers' carelessness or incompetency. At the present time when cream white goods are in great demand, it is impossible to make a satisfactory piece of such goods out of domestic wool because of the way in which black, gray, and buck fleeces are mixed in packing, and the manufacturer is compelled, therefore, to resort to Australian fleeces.

The black sheep in the bands, it was explained, are kept because they are very helpful to the shepherd. These sheep are comparatively few, and can be counted easily, so that if they are all present at a given time, the shepherd feels reasonably sure that his band is intact and that there are no wanderers or estrays. Although they perform this useful service to the shepherd, their wool, when mixed with the white, is a positive detriment to the clip. Yet the black wool when kept by itself is in demand and brings good prices. In fact, to comply with ecclesiastical requirements, certain cloths used for religious purposes must be made from undyed black wool, and for such purposes, black wool is always in request, limited though the demand may be. By keeping the black fleeces by themselves, the wool-grower will secure better prices for his white wool, and at the same time the black wool will fetch prices equal to those paid for the mixed clip. Objection is not made to black or gray wools in themselves. It is only when they are indiscriminately mixed with the white wool that the manufacturer objects, because the mixture prevents him from securing the results he desires to meet the demands of his customers. The growers were urged, therefore, to separate their fleeces, and scrupulously to exclude all tags and locks from them, although skirting, as done in Australasia, is not insisted upon or expected. Two fleeces ought never to be tied together.

Complaint was also made that the wool was too often allowed to get wet, and instances were cited where, after a drenching, the

wool heated, and became rotten and unfit for use, causing heavy losses to the purchasers. In answer to this complaint it was said to be almost impossible to avoid having the wool caught in the rains which frequently fall about the time shearing is in progress, shearing being done "in the open" or in temporary sheds.

Wagons, which often carry the wool fifty miles or more to a railroad station, ought to be so packed as to shed most of the rain, and the wool, when it arrives at the railroad station, ought to be protected by careful piling or by sufficient covering to save it from becoming soaked with water. Mr. Ormsbee, it appeared, has erected sheds at his shipping station, at no little cost, to care for his own clip, which is of considerable size; but unless the clip is large enough to justify such expenditure, it is out of the question for a man with an average clip to provide himself with such accommodations.

Mr. Johnson, who is one of the large owners of sheep in his locality, and who has bought much wool for eastern houses, urged that contracts should be signed, and written guarantees given that the wool is in good condition, free from tags, extraneous matter, and excess of twine, so that responsibility may not cease the moment the wool is loaded, and the car doors closed and sealed. But, it was queried, what would such a contract and such a personal guaranty be worth? If the wool should not prove to be as represented, would not the buyer have to resort to a law suit to enforce his rights? and law suits, many know from experience, are expensive and annoying.

In discussing the proper kind of twine to use in tying the fleeces, it was suggested by the wool growers that a twine of reasonable thickness should be recommended, because the shearers, whose hands are made tender by the oil in the wool and the heat of the animals' bodies, complain that the slender, hard twisted twine used in Australia cuts their hands. Why such twine is satisfactory in Australia and unsatisfactory here was not explained.

It was generally agreed that the wool grower is honest and wishes to get for his clip no more than the sum to which he believes he is fairly entitled.

When overalls, shears, tags, cow-bells, and even stones of considerable weight are placed in the bags with the fleeces, it is often done in a spirit of fun by those at the shearing shed, who

do it in a thoughtless way without any intention of committing a wrong. The most efficacious way to stop such practices, it was suggested, is to let them be known. An example was given of the power of publicity to cause a wrong to be corrected and atoned for. In a certain section of a western wool-raising State a purchase was made of a band of sheep, but before delivery, the owner "topped" the band, and substituted inferior sheep for those removed. When news of this action was spread about in the neighborhood, it was speedily realized what such action by one dishonest man meant to the entire district. The honest men understood that if such practices were tolerated, dealers and purchasers would soon refuse to go into the section at all. So much pressure was immediately brought to bear upon the offender by his own neighbors that he felt constrained to make good to the purchaser the loss he had sustained by the seller's dishonesty.

It was urged that if buyers would only refrain from competing for the wool of men who resort to dishonest measures, such practices would soon be stopped. No man would or could be comfortable if he knew that his neighbors were aware of his dishonest practices.

In explanation of seeming carelessness at shearing time, it was stated that in the far West there is always a great rush to get each band of sheep out of the way as speedily as possible, often three bands being in the corrals at the same time waiting for the shearers. As a rule, the arrangement is to shear a certain number each day, and as soon as shorn, they must make way for the bands expected to supply work for the following day. It was also explained in extenuation, that within recent years labor conditions have been unsatisfactory; the shearers, of whom the employers hardly dared to make requests, were extremely independent, and if offended in the slightest, frequently threw down their tools, and threatened to walk out of the shed. Distant fifty miles or more, perhaps, from even a small center of population, and feeling his inability to secure competent successors, if the offended should depart, the owner was obliged to overlook many things which he disapproved; but situated as he was, there seemed to be nothing else to do.

The difficulty of telling that a band of sheep has been "topped," is slight when compared with the task of discovering that the wool of any particular grower — where the clips are not marked or kept separate — has been dishonestly weighted or improperly

tied with a superabundance of twine, unless, as suggested, the bales should be so marked that they could be traced, and the offender apprehended. This would be a great help to the men putting up their wools in good condition, and would deter the careless or dishonest from attempting to commit a wrong against the buyer, when preparing their clips for market.

It was argued, with some degree of force, that up to the present time no sufficient distinction in price has been shown between wool well prepared for market and wool to which objection is made.

A man with a well prepared clip — knowing that his neighbor, who has made no effort to get his clip up in approved fashion, will get the same price offered him — receives nothing to compensate him for his extra labor and expense. It was urged that a difference in price should be made to recompense the grower for the increased expense and work involved, and to encourage him to make the required effort. In brief, there should be some inducement in sight, and that inducement should be a greater financial return for the clip.

It was concluded that much of the trouble is due to the methods pursued by the buyers, many of whom are insufficiently trained for their very important and delicate tasks. Not infrequently they show too much anxiety to purchase, and too little judgment and discretion in their purchases. One case was cited of a buyer who, when his purchase was received in Boston, was told by his employer that he could have the wool at two cents per pound less than the price paid, although there had been no drop in the market in the meantime. Not infrequently wool is purchased by telephone, the sheep not being seen, or the wool examined by the buyer. With such methods pursued by the wool buyers it is not surprising that mistakes have been made by them, and bad practices have developed among the wool growers. Buying on commission was also condemned, chiefly because the buyer, with an eye single to his reward — his commission — quickly yields to the seller's demands when there happens to be a small difference between the price asked and bid.

Whatever advantages the grower with a poorly prepared clip has enjoyed heretofore, this year and next year, especially, it was agreed, wool will be examined and scrutinized much more closely; and while the carelessly packed wools were easily sold when the raw material was in great demand, now that there is a

marked decrease in manufacturing activity the careless and dishonest man will be the one to suffer first and most. The man with a reputation for putting up his wool honestly and in good condition will be sought by the buyers, and he will get top prices for his product.

A short time after this conference the appended letter of instruction was sent to their representatives throughout the country by many Boston wool dealers :

Boston, March 19, 1908.

There has been such an increase in the use of sisal or binder twine by the farmers in tying their wool that something must be done to stop it. The loose fiber from the twine clings to the wool through all the processes of manufacture and causes imperfect goods with loss in consequence. It is not sufficient to remove the binder twine, the damage has been done and wool should not be received that has been tied in this way. Our agents have been instructed to refuse it.

Another abuse is the excessive use of twine. Two moderate sized strings each way are enough for any fleece. In some sections farmers have lately been buying a very heavy coarse twine which is practically rope and have been trying to make money by the amount put on the fleece. Wool from Australia and South America, when tied at all, is bound with one strand of small twine each way. Our domestic fleeces done up with yards of rope or binder twine suffer in competition. So serious is this matter that all manufacturers complain of it and several refuse to use domestic fleeces.

To insist on reform in these matters is no hardship to the grower. The use of binder twine is simply carelessness on his part. The loading on of string is a crime that the trade is practically responsible for. If these matters are brought to the attention of the farmer we feel sure he will help correct the abuses that have crept into the business during the recent years of prosperity. Please forward this circular to the editor of your local paper, and ask him to put the matter in his paper; also interest the officers of the granges and **GET TO WORK YOURSELF.**

It is our belief that manufacturers will insist on rejecting wool tied with binder twine or which is dishonestly bound with an abnormal amount of regular string, and that these rejections will result in heavy losses to the handlers of fleeces. You can save much of this loss by giving this matter strict attention.

Along with such instructions a statement of the complaints made by manufacturers, together with an agreement, numerously signed by the wool trade of Boston, Philadelphia, and other important centers, was issued and inserted in many local papers, publications devoted to the sheep and wool industry, and farm journals generally. The statement and agreement was as follows :

For many years past the wool merchants of the United States have made ineffectual efforts to induce the wool growers to improve their methods in preparing wool for market. One of the principal abuses is the tying up of fleeces with sisal twine, or so-called binder twine. The loose fiber from the twine clings

to the wool through all the processes of manufacture and causes imperfect goods with consequent loss.

We believe if this serious matter is called to the attention of growers they will cooperate with the dealers and discontinue the practice of tying their wool with such twine as described, thereby putting American wools in closer competition with those of foreign countries.

We, the undersigned, hereby agree to at once notify all our correspondents and buyers in the fleece wool section that we shall not accept as merchantable wool tied with sisal twine nor wool that is tied with an undue amount of string:

Boston, — Jeremiah Williams & Co., Luce & Manning, Brown & Adams, Cordingley, Barrett & Co., Dewey, Gould & Co., Farnsworth, Thayer & Stevenson, Hobbs, Taft & Co., Patterson & Co., R. D. Smith & Son, Rosenthal Brothers, Wendell P. Yerrington, Williams & Smith, John G. Wright, Crimmings & Peirce, Dupee & Meadows, Hallowell, Jones & Donald, Goodhue, Studley & Emery, D. I. Baker & Co., J. Koshland & Co., Hecht, Liebmann & Co., O. N. Purdy & Co., Eisemann Bros., W. S. Henry, Jr., & Co., Manger & Avery, Parson Bros., Salter Bros. & Co. Philadelphia, — Chas. F. Cross & Co., Coates Bros., Justice, Bateman & Co., Bullock Brothers, Henderson & Co., Fred Wolstenholme, Wm. Anderson, Jr., & Co., Lewis & Grove, Chas. J. Webb & Co., Inc., Woolston & Moore, John A. Leslie & Co., Bradford Smith & Co., C. Shillard Smith & Co., Stone & Christie, Jennings & Stansfield, I. Reifsnnyder Son & Co., Chas. O. Herbert & Co., Wm. Brown & Co., Ltd., Coffin & Son. Wheeling, W. Va., — Horkheimer Brothers. Mt. Vernon, Ohio, — J. S. McConnell Company. Detroit, Mich., — Traugott, Schmidt & Sons. Troy, N. Y., — Chas. S. Sweet. Watervliet, N. Y., — Agnew & Company. White River Junction, Vt., — H. A. Perkins & Co. Chicago, — Silberman Brothers.

The American Woolen Co., using from fifty to sixty million pounds of wool annually, has decided to discriminate against wools tied with sisal twine and improperly prepared for market, as may be seen from the annexed circular letter sent throughout the country to wool dealers from whom the company makes its purchases. The letter was as follows:

Boston, April 27, 1908.

I wish again to call your attention to the importance of strongly advising the wool growers against tying their fleeces with sisal twine. The damage from the fibers of this twine in the manufacturing of the goods is a serious one, depreciating the value of the goods, and wools tied with it should command a lower market value in consequence.

This is a very serious matter and we have instructed our wool buyers not to purchase any fleeces tied with this twine unless a lower price is made to offset the damage incurred in working wools containing this twine.

We cannot impress too strongly upon you and your correspondents and buyers the importance of avoiding the use of this twine.

Very truly yours,

WM. M. WOOD,
President.

Since Mr. Wood's letter was sent, the American Woolen Company has decided not only to discriminate against, but not to buy, wool tied with sisal twine, and notice has been given to wool dealers to that effect. Boston wool dealers have held a conference with President Wood and decided not to accept wool tied with the objectionable twine. Coming from a company whose consumption is so large, this action is certain to have no little effect in producing the desired results.

We append an editorial note on this matter taken from the "National Stockman and Farmer" of April 9, 1908. It says:

WARNING TO WOOL GROWERS.

For years manufacturers of wool have protested against the practice of tying fleeces with sisal or ordinary binder twine. Their protests have had little effect because they were not backed up by discrimination against such wools. Now the manufacturers announce that they will positively refuse to accept fleeces tied with sisal twine and warn their buyers, dealers, etc., to purchase no wool so tied. Dealers and buyers are passing the warning on to the producers and ask us to assist them. In doing so we desire to say that the position of the manufacturer on this subject is entirely reasonable. It is impossible for him to get the sisal fiber out of the wool and impossible for him to color it if it is left in, and he loses money on goods that may happen to contain it. The buyer or the dealer is interested only indirectly. If sisal suited the manufacturer it would suit him—he must reject what the manufacturer rejects. And here we want to say that the sisal twine and other abuses have persisted largely through the manufacturer and the wool buyer and his system of doing business. The buyer has not heretofore discriminated against sisal twine in price. He has paid no premium to the man who has used proper twine. He has failed to reward the man whose wool was carefully washed, or who spent valuable time and labor and sacrificed weight of product to put it into first-class marketable condition. In fact by trying to buy wool at as nearly one price as possible in a community the buyer has made careful preparation of wool costly and consequently unpopular. Naturally the producer who spent extra time and labor and got no reward above his careless neighbors quit trying to put up his wool in better condition than the average of his community.

If those who buy and handle and use wools will do as they say they are going to do, discriminate against sisal twine, in a short time they will get little wool tied with it. If they will buy wool on its merits, discriminating in favor of that properly put up and against that improperly put up they will soon find the wool coming to market in much better condition. As long as they try to buy at one figure all the wools of a community they put a premium on careless preparation and can expect nothing else. The advice they give will avail nothing; a little money will talk louder and more efficiently for proper preparation of wool than anything else. We believe in discrimination in favor of properly put-up wools and against the other kinds. In case of twine if any wool grower is in doubt as to the kind that will be acceptable to the manufacturer we will send him a sample of the proper kind on receipt of a two-cent stamp and a request for it. It is hard to illustrate this or to describe it, so we will demonstrate it to all who want to know.

Accompanying the editorial was the following communication from a well-known wool buying firm of Wheeling, W. Va.:

We take the liberty of directing a communication to you knowing that you have the interest of the farming community at heart, and if you can kindly publish this for the benefit of the growers of wool it might prove of great advantage to them, likewise to the manufacturer, who suffers so much from the character of twine that is used in tying up our best wool. We have had numerous complaints from the best mills we deal with, owing to the character of the twine that is used. The use of sisal twine does so much damage in the manufacturing process and is of no gain to the farmer. Its use will have to be abandoned. We as dealers will not buy a clip of wool hereafter that has twine of this nature, as we cannot use it. The removing of it from the fleece is impossible, and it will not take the color, and the damage is so excessive that we have been admonished not to buy, as the manufacturers will not take it off our hands. Wool should be tied with a hard twine not necessarily too thin, but solid twine. The excessive use of twine seems wholly unnecessary.

On the same subject, the St. Louis "Daily Market Reporter" printed the following:

Manufacturers of woollen goods and dealers in the raw wool throughout the country have practically agreed not to buy wool tied with sisal or binder twine, on the ground that perfect goods cannot be made from wool so tied. Besides, they will refuse to deal with any parties who would deceive by selling or offering for sale wool that had at any time been tied with this objectionable twine. Furthermore, a discount from regular market prices

will be demanded on fleeces tied with an excessive amount of any kind of string or rope, and if growers do not put up their clips in better marketable condition than they have in the past, manufacturers threaten to turn to foreign wools for their supplies. The question is now up to the grower.

The following is one of many circulars on the same subject issued by eastern wool dealers, and approved by all the leading wool houses of the country: "Do not tie your wool with sisal or binder twine. Manufacturers and dealers in the East are up in arms against this practice. The manufacturer is more and more refusing to accept from the dealer wool where the fleeces are tied with sisal, or binder twine, and the time has come when the buyer of wool must discriminate against this kind of twine. In untying the fleeces, it is impossible to remove this kind of twine without leaving some of the fibers in the wool, and this causes a defect in the goods when made, to the annoyance and expense of the manufacturer, who has to put such pieces into his seconds. It leaves white or yellow streaks throughout the goods, as it will not take any dye. A farmer, buying a piece of woolen goods, either black or colored, would hardly accept a piece streaked with white or yellow. A farmer who insists on tying up his wool with binder twine will run the risk of having his wool rejected altogether, or be obliged to stand a reduction of several cents a pound. The wool should be tied with small hard twine that will not rub off. The tying up of tags, black wool, or any other substance in a fleece of wool is a criminal offence if discovered, and punishable in some States by imprisonment, or fine, or both."

The above named "Reporter" is distributed widely by St. Louis commission men, and reaches all local points throughout the West and Southwest, so that it cannot be alleged that sufficient notice was not given of the intention to enforce these reasonable requirements concerning the "get-up" of wool for market.

If manufacturers and wool dealers adhere to their announced policy of discrimination against wool carelessly shorn and improperly prepared for market, the reforms which have long been desired seem likely to be accomplished.

J. B. MCP.

ART AND TRADE:¹

THEIR ALLIANCE IN FOREIGN COMPETITION.

BY SIR SWIRE SMITH.

OUR position — nay, our existence as a commercial nation — depends upon the efficiency of our population as manufacturers and traders.

We believe that this efficiency may be enormously increased by appropriate education. Twenty years ago, in this hall, at a meeting for the promotion of Technical Education, the late Lord Salisbury put the whole question in a single sentence. He said: "Man's first necessity is to live; his first duty is to work; and *the object of education is to fit him for his work.*"

There has been nothing more remarkable during the last fifty years than the industrial progress of Britain, except perhaps the industrial progress of some of our rivals.

The mechanical inventions that revolutionized the manufacturing industries of the world were nearly all British, and for a time we practically monopolized them. When Britain was looked upon as "the workshop of the world," our customers had no choice but to accept what we made — we had no rivals in the production of machine-made goods. Our manufacturers knew next to nothing of Art, but what mattered it? — they achieved success, and many made fortunes, without Art. The Exhibition of 1851 showed to the astonished world our industrial supremacy in machinery and manufactures; but it revealed also the hideous character of our designs in textiles and in the decorative arts, the inferiority of our craftsmanship, and our deplorable lack of scientific knowledge as compared with the more advanced of our rivals.

¹ An address delivered February 12, 1908, at the Third International Congress, London, for the development of drawing and art teaching and their application to industries, by Sir Swire Smith, to whom we are indebted for the privilege of printing it for the benefit of our readers. Sir Swire Smith is not only a competent and successful worsted spinner of Keighley, but also an ardent advocate of textile education and vocational opportunities for those on whom rests, in large part, the maintenance of Britain's conspicuous position in the manufacturing world. — ED.

THE PRINCE CONSORT'S FORESIGHT.

There is no doubt that our commercial success for many years led to a feeling of self-satisfaction with regard to the position. But the late Prince Consort, with prophetic instinct, saw that the circumstances and advantages that had given us the lead could not permanently continue; that our inventions and machinery would soon be shared by the world, and that supremacy would ultimately go to that nation which could turn the best equipment to the most attractive use in supplying the world's wants. He was not so much concerned about our strength as about our weakness. Probably no man in this country had a more intimate knowledge of the superior education that, even in those days, was being given in Continental countries, and of the widespread application of Science and Art to their industries. He showed that we could not compete with our rivals in artistic productions unless we competed in artistic training.

It was largely on the initiative of the Prince that the department of Science and Art at South Kensington was organized, that Schools of Art were established in many cities and towns of the Kingdom, and that the Royal College of Art was founded at South Kensington, to be connected by exhibitions and bursaries with the provincial schools, and to become a national seminary for the training of teachers.

OUR HANDICAP IN PRACTICAL ART.

But, at that time, the condition of elementary education was so bad, and the teaching of drawing in the schools was so utterly neglected, that the talent of the country was available only in a very limited degree for the facilities offered at the College. Our progress, although substantial, was necessarily slow; and meanwhile the industrial rivalry of foreign countries, which the Prince had foreseen, began to tell. When our machinery of all kinds had been distributed over Europe, our rivals, with their superior artistic and technical knowledge, began to produce goods which surpassed in attractiveness the product of similar machinery in this country. This was especially observable in the later seventies;

and the cry went up that the bread was being taken out of the mouths of our workpeople by an invasion of foreign manufactures.

The Government of the day, in 1881, appointed a Royal Commission to find out what was the matter. It was my privilege to serve on that Commission, which at intervals during the next three years visited the competing industries and schools at home and abroad, and in each country, face to face with the facts, studied the conditions affecting the training and productions of our rivals.

Now, it is true that there had been considerable progress in Britain in the teaching of drawing since the passing of Mr. Forster's Act of 1870 : but, even so, three-fourths of the children in elementary schools did not learn drawing at all, and in many instances the instruction of the remaining fourth was hardly worth the name. The Schools of Art, some of which did very creditable work, were attended by about one per thousand of the population.

It could not be said, therefore, that schools had exercised a great influence upon our industries.

WHAT WAS DONE ABROAD.

We found on the Continent, in every country visited by the Commissioners, that drawing was taught in *all* the schools. In many schools, instruction was given in modelling and in the use of tools : while, in the Schools of Art—often free—in manufacturing towns, Art was applied in many ways to the local crafts and industries. It was argued by distinguished educationists in France that drawing and modelling were more important for the artisan than reading and writing. They contended that the artisan might pass through the world ignorant of his letters, but that he would have to earn his living with his hands, and in proportion as he used them skilfully and tactfully his living would be assured.

France has become supreme among the nations in the profitable employment of vast numbers of her population in artistic manufactures ; and this success she owes to her

enlightened teaching of applied art for generations past. On the other hand, this great manufacturing nation of ours has to mourn the loss of countless millions that would have been expended on the employment of our people in such industries, had we given equal attention to this essential branch of their education.

CLERKS INSTEAD OF CRAFTSMEN.

In this country, where a larger proportion of the population than in any other depend for their livelihood on their skill in craftsmanship, we have done the least for the training of the craftsman.

For every boy intended for an office, a hundred are intended for crafts and mechanical operations ; yet, knowing this, our schools persist in preparing a hundred for the office and one for the crafts. Our apprenticeship system is practically dead, but the need for skill and capacity is greater than ever ; and training in the principles of our industries must now, in most instances, be given in the schools if given at all.

“ Drawing is the mainspring of a technical education ; ” it is the indispensable language of the craftsman.

A SECRET OF FOREIGN SUCCESS.

The Commissioners on Technical Instruction, after visiting the schools and industries of all the countries that compete with us, and testing the evidence on the spot, came to the conclusion that, in every instance of equality or supremacy in manufactured products, we were challenged by the superior education and training of our rivals ; and we found that, where the rivalry was greatest, there also the equipment was the most perfect and the training most effective.

After inspecting one of the best-equipped Art Schools in France, the Commissioners asked the Minister of Education the cost of the building and its maintenance. He cheerfully replied that he did not know the cost and did not trouble to enquire ; “ for,” said he, “ it is not France but England and America that pay for our drawing schools, by buying the

beautiful manufactures and designs which the schools have enabled the French people to produce."

I am afraid that we shall go on paying for these continental schools till we set against them equally effective schools of our own.

We cannot expect to be permanently first in achievement while we take the second or third place in educational training. We have to cast aside our apathy, and to realize as a serious matter of business that the only successful way of meeting the skill of the foreigner is by the greater skill of the Englishman, the Scotsman, and the Irishman.

STOCKTAKING AT THE MOMENT.

Although I have said this much, I am not disposed to give way to depression as to our condition and prospects. It is well to crack the whip on occasion so as to quicken the laggards, and bring our industrial team into line; but we may fairly give commendation for much good work that is being done. During the last twenty years, thanks to the Technical and other Education Acts that have been passed, and to the public spirit of many of our City and County Councils, equality of opportunity has been vastly extended, and there has been a great development in artistic and technical instruction in this country.

At the present time drawing is taught in nearly all elementary and in all secondary schools; manual instruction has been considerably developed, and the Schools of Art of the country were never more effective than now. In a great number of schools, the teaching of Art is applied to our industries with increasing intelligence and success; while the pick of the students from provincial schools are climbing the ladder to the Royal College at South Kensington, and thence passing forward into the world as teachers, designers, craftsmen, or captains of industry. And if we turn to our national industries that are affected by the blending of beauty with utility — whether in the working of the precious metals, in the forging, casting, and shaping of the commoner metals; in decorative work in wood, stone, and plaster; or in furniture,

pottery, textiles, and pictorial Art — we have a register of commanding progress.

But ought we not to be doing much more ?

It was my fortune, a little over a year ago, as a member of a commercial delegation from British Chambers of Commerce to Austria-Hungary and Bohemia, to visit the leading schools of Art of those countries. The director of one of the most important schools had recently returned from a tour of inspection of the principal schools and colleges of Industrial Art in Europe ; and, on his opinion of their relative merits being asked, he replied that in buildings and apparatus Berlin was at the head, but that the Royal College of Art at South Kensington, although housed in class-rooms the most unsuitable he had seen in any capital of Europe, was organized on the soundest lines for influencing the industries of the country.

WHAT THE ART CONGRESS MEANS.

Such reports are encouraging, but we all desire more exact comparisons and information at first hand.

The Art Congress that we are met to promote will give to educational authorities and the public generally an opportunity of assisting in our national stocktaking, and of seeing what other countries are doing. I hope we shall put aside insular prejudice and examine the methods of our neighbors, with a real desire not only to learn from them all that they can teach us, but to turn the lessons to practical account.

Our aim is to secure the prosperity and happiness of our people through the efficiency of their theoretical and practical training ; for, in the rivalry of nations, the foreign army that we have most to fear and to emulate is not the army which carries its rifles, but the army which makes the best use of its weapons of peaceful industry.

Editorial and Industrial Miscellany.

OLIVE OIL IMPORTED FOR MANUFACTURING OR MECHANICAL PURPOSES.

WHEN FREE AND WHEN DUTIABLE.

SOME months ago it came to our attention that a consignment of olive oil costing less than sixty cents a gallon, intended for manufacturing purposes and thought by the importer to be of the same quality as that long imported free of duty, was held by the customs examiner to be fit for eating purposes, and therefore subject to a duty of forty cents a gallon. The reason assigned for the ruling was that the oil differed in taste and smell from previous consignments received by the same importer.

Because of the uncertainty under which users of olive oil for manufacturing purposes labor, — the question of duty or no duty for each consignment of oil intended for such purposes depending upon the judgment of the various customs officials under whose jurisdiction it comes, — it was decided to ask the Treasury Department to adopt, if possible to do so with safety, a standard for such oil, or permit some arrangement to be made whereby the users of such oil, costing less than sixty cents a gallon, would be able to import it free of duty and, at the same time, guard the Government against frauds. With that object in view a petition to the Secretary of the Treasury was sent from this office to the worsted spinners of the country, by whom it was generally signed.

The petition was as follows :

BOSTON, March 7, 1908.

To the HON. GEO. B. CORTELYOU,

Secretary of the Treasury, Washington, D.C.,

SIR: We, the undersigned, respectfully represent that we are users of olive oil for manufacturing purposes, and more especially for use in the manufacture of worsted yarns; that olive oil is the kind of oil almost universally and exclusively used in all countries in the manufacture of worsted yarns; that experience has proved that such oil is essential to that manufacture; that because the low grade oil used in the industry is not produced in the United States we are dependent upon foreign countries for our supply and because of the very extensive use of such oil and its non-production in

this country, in order to aid manufactures Congress intended to have olive oil imported for manufacturing and mechanical use only, free of duty, provision therefor being made by the tariff act of 1897, section 2, paragraph 626, which is as follows :

“ . . . Olive oil for manufacturing or mechanical purposes fit only for such use and valued at not more than 60 cents per gallon,” . . .

under which provision such oil has been imported and is now being imported free of duty.

We further represent that we have been informed that on certain invoices of new crop olive oil lately arrived from foreign countries a duty of 40 cents per gallon has been imposed on the ground that the quality of the oil makes it fit for human consumption, although we believe the oil in question is of the same grade and character as that which has heretofore been imported and admitted free of duty as coming within the terms of the above quoted clause of the tariff act. We believe that if the oil recently imported, which is of a value that would allow it to come in free of duty, is any different from the oil used in previous years for manufacturing and mechanical purposes, it is due to unusual climatic conditions which ruled during the period while the olives from which it was made were being grown and gathered.

We further represent that in our opinion the intention of Congress is clear that certain grades of olive oil suitable for manufacturing and mechanical purposes only shall be brought into the country free of duty; that the only practicable test for determining whether the oil is “fit only for such use” is its common use for some other purpose; that in the absence of a standard fixed by chemical analysis the fixing of a price by Congress as marking the line of division between dutiable and non-dutiable is a positive declaration of legislative intent that the price is the only practicable method of determining what oil shall be free and what dutiable. We are further of the opinion that if the price is not the sole determining factor there is no other test practicable, except the fact of common and general use as an article of food; and that considering the nature of olive oil and its generally harmless character Congress must have had in mind some test other than that the olive oil “fit only for manufacturing or mechanical purposes” should be dangerous or harmful to health if used as a food and must have had in mind simply a requirement that olive oil fit for food should be sufficiently palatable and appetizing to be commonly and generally used.

We are of the opinion that from a commercial standpoint, in view of the expressed intention of Congress as shown in the act, to aid manufactures, it would be impracticable to change the rule to be applied to the importation of olive oil in any given year because of exceptional climatic conditions which experience of past years indicates are not likely to be repeated, we, therefore, reiterate our opinion that the dominant intent of Congress was that the price of 60 cents per gallon should be the determining factor.

We further represent that we are advised that the olive oil covered by the invoices on which the duty has been levied was imported for the exclusive

use of manufacturers, and that the owners can and are willing to produce affidavits from bona fide consumers to attest this fact.

We further represent that a duty of 40 cents per gallon would be specially burdensome on manufacturers because no other oil furnishes a satisfactory substitute for such purposes, and that the intent of Congress that manufacturers should have such oil free of duty would be defeated.

In view of the magnitude of the interests at stake we respectfully petition the Treasury Department for a ruling which will give the local appraiser sufficient latitude in dealing with invoices of olive oils so that neither importers nor consumers will be exposed to hardship and uncertainty by temporary variations due to unusual conditions, climatic or otherwise, of the standards used in determining the grades of olive oil which shall be admitted free, to the end that manufacturers may be able to calculate with certainty upon getting a suitable supply of olive oil, free of duty, for manufacturing purposes as heretofore. And we respectfully suggest, if deemed advisable for the protection of the Government to guard against fraud, that the users of olive oil for manufacturing or mechanical purposes could be required to make affidavits or furnish other safeguard to satisfy the Government that such oil is to be used by them for such purposes only.

An examination of the decisions on the importation of olive oil, rendered by the Board of General Appraisers, led us to hope that the Treasury Department might be able to fix the presence of a certain percentage of oleic acid in the oil as a standard to determine its fitness for mechanical and manufacturing uses or for edible purposes; and consequently its right under the law to be admitted free or its liability to pay a duty.

We were led to this hope because in one case where the samples examined contained from 2.9 to 3.6 per cent of oleic acid, it was ruled that the oil was fit for food; while in another case, where the percentage of such acid was 8.4, the oil was held to be unfit for food. Comparing the two decisions we drew the conclusion that some point between a percentage of 3.6 and 8.4 of oleic acid might be safely fixed as a dividing line between non-dutiable and dutiable oil.

It was pointed out, however, by the Treasury Department that it would not be practicable to establish the presence of oleic acid in a certain percentage as a standard to determine whether or not the oil should be dutiable or free, because in some cases the amount of such acid, intentionally made large in the hope of evading the duty, has been removed by chemical processes after importation and the oil rendered thereby suitable for eating purposes.

Our attention was directed to Regulation 34, adopted October 17, 1906, by the Secretary of the Treasury, the Secretary of Agriculture, and the Secretary of Commerce and Labor for the enforcement of the Food and Drugs Act.

That regulation reads as follows :

Unless otherwise declared in the invoice or entry, all substances ordinarily used as food products shall be treated as such. Shipments of substances ordinarily used as food products intended for technical purposes must be accompanied by a declaration stating that fact, and must be so denatured as to prevent their use as food.

The Boston customs authorities construed that regulation to require the oil to be denatured before shipment, which, if enforced, would have been inconvenient to importers; but the Department has instructed the customs authorities to permit the denaturing to be done at the dock in this country "under customs supervision at the expense of the importer with such denaturants, to be approved by the Secretary of Agriculture, as will render the olive oil permanently unfit for edible uses."

As matters now stand, if olive oil costing less than sixty cents a gallon is declared fit only for mechanical and manufacturing purposes, it will be admitted free; if it costs less than sixty cents a gallon and is regarded as fit for edible purposes, it will still be admitted free — if denatured upon importation under the supervision of a customs officer.

The Treasury Department, we are informed, does not require the use of any special denaturing agent, the point being that it must render the oil permanently unfit for edible purposes. The problem, therefore, is to find a comparatively inexpensive agent that will comply with the regulation and at the same time not injure the top. Experiments have been made with oil of Rosemary as such denaturing agent—a half pint being used to the barrel, and satisfactory results have been obtained. It was feared that the strong odor of the Rosemary would be objectionable, but after the wool has gone through the various preparatory processes the odor is found to be scarcely noticeable in the top.

We are in correspondence with many worsted spinners who, on our suggestion, are making experiments with denaturing agents, the results of which will be forwarded to us for the information of the Treasury Department.

THE LONDON WOOL AUCTIONS.

By CHARLES H. HARDING.

ON the evening of March 18, Mr. Charles H. Harding, vice-president and treasurer of the Erben-Harding Company, of Philadelphia, and one of the vice-presidents of the National Association of Wool Manufacturers, delivered an address, entitled "The London Wool Auctions," before the Alumni Association of the Philadelphia Textile School. It is a subject on which Mr. Harding is peculiarly fitted to speak because of his frequent attendance at the sales as a buyer; and at this time, when the project of holding wool auctions in this country has been endorsed by the National Wool Growers Association, it is most timely. Much that Mr. Harding says respecting the London auctions will be of great value to the wool grower, now that he is coöperating through the officers of his association, with the manufacturers through the officers of their association, to bring about an improvement in the condition of the wool as it comes to market. Mr. Harding, it will be observed, does not insist that there shall be in this country the strict grading practised in Australia, but he does urge what Mr. Johnson, of Idaho, suggested at the conference held in the office of this Association in March — that the wool should be marked so that the responsibility of the grower would not cease when the car doors are closed, and so that the grower could be followed and held responsible for false packing and false representations of any kind.

The remarks of Mr. Harding are well worth careful perusal, and we are pleased to preserve them in the journal of this Association in which he is deeply interested and of which he is a conspicuous and useful member. Mr. Harding said:

The question is sometimes asked, Why do Americans go anywhere outside their own country to buy wool? Why do they not use American wool for their products? When you consider that the clip of America runs in round numbers about three hundred million pounds a year, — having varied from two hundred and fifty, say, to three hundred and sixty million pounds, and lately stationary at about three hundred millions a year, — and with the consumption of wool in America at about six hundred millions a year, it is very evident that the American, however patriotic he may be and desirous of using wool grown in his own country, must go somewhere to buy the balance of his wool. That is the first reason why he must get away from home.

Another reason why Americans have gone to London and other foreign places to buy wools is that the American wool manufacturing business has always been following, The reason for going to London. more or less, in the procession headed by France and England. Our manufacturing business came from England. The men — some of them are alive yet — who have been most prominent in the history of American wool manufacture have often been Englishmen or the sons of Englishmen. Our machinery, our experts very largely, have been from England. But more important than that there was always a tendency, which up to 1876 was an almost absolute rule, that the woolen stuffs manufactured in America should be copies of something that had been made in England or on the Continent. Those of us who remember the situation that arose after the Centennial Exposition of 1876 will remember that was the first time when there was any disposition on the part of American manufacturers to do something independent of getting samples from abroad and copying for the next season the goods made in other countries. I am not sure that habit is abolished as yet.

But you can see that, as a natural result of that situation, the man with specialties to make had to find wools adapted to his purpose, and it was not a question at all with him, Fashion's demands must be met. and it is not a question with him yet, "Shall I buy American wools to do this?" The question is what will do the thing that I want to do? To illustrate. To-day, by the pressure there is for cream-whites in dress goods, the man who wants to make such goods has raised in his mind first, the question, where in the world can I find the wool for the yarn to produce that effect? If American wool will do it, well and good. I must find the thing that will make what fashion demands even if I must go to the Falkland Islands, to New Zealand, or somewhere else to get the material; otherwise while I am trying to prove to the people I ought to do it out of American wool this particular fashion will be gone, and I will have lost my opportunity. That is one of the reasons why Americans must go elsewhere to find certain wools, not merely that they may supplement the American clip, but they must find quickly the things that are adapted to the calls made upon them by certain phases of fashionable demand.

Why should we go to London, is another question and is answered by the statement that until very lately London has been the point at which the largest quantities of wool Influence of fashionable demand. grown in many places in the world, outside of the United States, could be found. At given times all the wools of South Africa, a little from North Africa, wools from the Australian colonies, except what may be sold at auction in Australia, from the Falkland Islands, from the extreme southern part of South America, are to be found on sale in London. There remains, then, only to consider the carpet wools, which are

mainly brought into this country direct, — because this is such an important carpet manufacturing center, — and the wools grown in the central part of South America, which are marketed largely there, some of them being sold at Liverpool, as are some of the carpet wools.

But one must go somewhere abroad to find the quantity of wool that supplements the American clip, and this naturally for many, many years gravitated to London, and the larger part of these wools have been on sale in London for, say, fifty years, which time nearly measures the duration of the existence of the London auctions.

The bulk of the wool on sale there has been from the Australian colonies.

It is difficult to say when the Australian continent was discovered; the first trace of it I can find is on a globe made in Nuremburg in 1492. About 1830 the Government of Great Britain selected a place in Australia to which were deported the criminals who were sent out of the country for their country's good, and that place was Botany Bay, on which grew up the town of Sydney.

About 1837, among the exports from the growing country, wool was sent from Botany Bay to London and there put on sale. That accounts for the fact that there still prevails in England the habit of calling those very fine Australian wools "Botany wools" and calling their products in yarn "Botany yarns."

You can understand how the centering of the sale of the wool in auctions in London gradually controlled the development of the clip. England at that time was the great manufacturing center of the world. France was the only country that was at all her rival, so that the consumption of these wools, which were practically all fine wools, largely centered in England; and it was, of course, the most convenient arrangement that could be devised, that the growers of the wool should consign their wool to London for sale, London being the financial center of the world, and necessary advances, which are the breath of life to the wool grower, could be found in the use of the capital of the London banks.

The auction sales gradually grew into a strictly business proposition with them. One of the most perfect schemes for the disposition of a product that man has ever devised probably is this arrangement of selling wools at London in auctions.

At the time that London was the financial center and was controlling the product of the British colonies, branch banks were established in the colonies, and there grew up a certain close financial relation between the banker and the wool growing population. So that, naturally, it came about that the thing to do in handling a large clip was to send it down to the port of Sydney, or Melbourne (which we know as Port Phillip), and there make arrangements with the local bankers, who represented the London bankers, to get at home

The origin of the name Botany wools and Botany yarns.

England was the manufacturing center of the world.

London was the financial center.

the large advances necessary to take care of home affairs, and let the wool take its course for sale in London, the final adjustment of the balance being made through the local banks, the balance thus reached being paid to the grower, if he had any balance. As a rule the arrangement has been entirely satisfactory.

But gradually other countries than England and France went into the manufacture of fine woolen goods, made out of something

Other countries became England's rivals.

finer than English wool, and Australia began to sell at home. Twenty-five years ago the London control of the Australian clip was absolute and undisputed.

When I first went to London to attend auction sales, and buy wool there, I had no more thought of going to Australia to supplement purchases made at the London auction than you have now of going to Japan to buy wool. At that time about 70 per cent of the Australian product was handled in London, and the other part, handled at home, was largely made up of all descriptions of less useful or less valuable wool, scoured on the spot and sold and transported without cost for dirt and grease.

But you will see from the statements I shall make that the state of the case has been almost reversed. Because the Aus-

Home sales have increased at London's expense.

tralian auctions are held in the time between the middle of October and the middle of January, which is their summer-time, the "seasons" are '85-'86, or '86-'87, or '87-'88, etc. In the season of '85-'86 the product of the Australian colonies was about one

million one hundred and forty-one thousand bales, and of that over 68 per cent, practically 70 per cent, was sold in London and the balance in Australia. In '94-'95, when they had the greatest production they ever had in the colonies up to that time, one million nine hundred and fifty-two thousand bales, 55 per cent, were sold in London and the balance in Australia. The Australian auctions have so grown in importance that in '03-'04, when the clip fell to one million three hundred and seventy-five thousand bales, only 40 per cent was sold in London, Australia — and by Australia I mean to include Tasmania and New Zealand — handling 60 per cent of the production. In '07-'08, the season just finished, winding up in February, because of an arrangement entered into something over a year ago to distribute the Australian sales over a little longer space of time, — in '07-'08, when the clip had again recovered to nearly its high limit, only 30 per cent went to London and the balance was disposed of at home. So the London auctions, which we shall speak about to-night, do not play, as you will see, anything like the important part in the distribution of the Australian clip they once did.

Of the product of that great year, '94-'95, it may be interesting to note what the Australian colonies, or present States,

The percentage each colony produced.

produced. Tasmania produced 1 per cent; West Australia produced 1 per cent; Queensland produced 7

per cent; Adelaide produced 9 per cent; New Zealand produced 18 per cent; Victoria (Port Phillip wools), about

25 per cent; New South Wales (Sydney wools), 39 per cent. So you see the really important parts of Australia are the States of New South Wales and Victoria. Then it is interesting to notice in the disposition of the product of this season of '07-'08, England took 47 per cent; France and Belgium, 34 per cent; Germany, Austria, Switzerland, and Italy, classed together, 16 per cent; the United States, 2 per cent; Japan and the East, 1 per cent. Last season, that is a year ago, the United States took 7 per cent of the wool that was sold, and the year before that 8 per cent, which was the most the United States has ever taken out of Australia; and those of you who are familiar with the wool business know that was due to the fact that the largest consumer in this country went into the Australian auctions that year and bought a very great deal of what we know as the fine cross-bred of the country, — you wool people know it as three-eighths and one-half blood wool, — which was largely in demand here because it could not be found here in great quantity; and for fear they might be subjected to pressure they sent a buyer to Australia, and bought a quantity of wool that raised the usual 2, 3, or 4 per cent of absorption of the United States up to 8 per cent. This last year they did very little there, because the state of affairs in October was not very promotive of speculating in Australia, or contracting debts in Australia that would have to be paid in the very near future, so the share of the United States fell to 2 per cent.

Now, we will suppose we are prepared to go to the London sales. The dates of the London auctions are some time in January, again in March, again in May, again in July, and in September and in November. A series of sales began yesterday which will be known as the "March sales." And so closely are we connected with affairs there that the sale, begun yesterday at 4 o'clock, was probably so well under way at 4.30 or 5 that the brokers having correspondents in this and other countries could forecast what was going to happen. Those sales were reported so promptly that I had a cablegram at 2.30 telling me what had been done in the afternoon in London and what was the probable course of events. (The speaker read a telegram which stated there was nothing suitable for America.) I only want to call your attention to the statement made, "nothing suitable for America." The cables said: "*As usual* there is nothing suitable for America on the first day." And why "*as usual*"?

For the reason that our very bright friends, the London brokers, who follow the situation recognize, as all the wool people do recognize, that the class they call staple or American wools are always the highest priced. So on the first day of the London series — always Tuesday — it is the rarest thing to find anything at all that can be brought here. The reason being this: if there is a decline in prices as yesterday and

The countries
taking Aus-
tralian wools.

The auction
dates and re-
ports.

Wools suitable
for America
are held back.

"nothing suitable for America," on Wednesday, or to-morrow or the next day, the "suitable wools for America" may gradually appear; and, if the American demand is at all vigorous, — as it frequently is, — there is a probability that such sales will go a little towards raising prices of other kinds.

And while on this telegram may I add something about this decline? As a rule, I think we are not apt to figure on the relation between a decline of 5 per cent or a decline of $2\frac{1}{2}$ per cent or a decline of 10 per cent in London and the effect of that decline in America, for the reason, the 10 per cent decline is on the London selling price; but to bring your wool here you pay 11 cents duty, no matter what the condition of the London market. So when you get a telegram giving the decline the percentage here will never be as much as it is there. For instance, if a certain wool is selling at 12 pence, it would cost landed here $37\frac{1}{2}$ cents, after paying the duty and all expenses. Now, a 5 per cent decline on 12 pence would bring it down to $11\frac{1}{2}$ pence and a 5 per cent decline on $37\frac{1}{2}$ cents would be $1\frac{1}{2}$ cents. But wool costing $11\frac{1}{2}$ pence in London costs landed here $36\frac{1}{2}$ cents, so the real decline is but from $37\frac{1}{2}$ to $36\frac{1}{2}$ cents, or 1 cent. This is enough to illustrate the point I want to make, that the wavering of the London market by 5, 10 or 15 per cent is not followed by the same wavering of the market here, because that 11-cent duty always remains a stable factor.

We will suppose, then, we are in London to attend the auction sales. The first thing you will find when you go to a London broker, with whom you are going to place orders, is that he has a small circular, showing that on Tuesday, and Wednesday, and Thursday, and possibly later, there will be sold certain clips, Adelaide, Sydney, Port Phillip, etc. The clips to be sold on these successive days will be shown on this circular by their respective brands.

And you would have noticed, if you had gone to the warehouse, that in all these four-story warehouses, at the docks most of them, the top floors were piled with tiers of wool, — square bales, three high, arranged in alleys, so that you pass through room after room following the numbers in your catalogue, and may see, if you will, every bale to be sold on this day.

I have here a catalogue¹ of sales that took place on Wednesday, December 4, 1907, in which the wools were put up by two parties, the one party sold 571 lots, 6433 bales, and the other party sold 487 lots, making 6432 bales — 12,865 bales sold in a thousand lots. Suppose, then, you have your catalogue before you start. Let me explain what is on the left page of the specimen you have in hand. The wools there noted are Port Phillip wools, and "Coree" is given as the brand of that clip. The first lot is "Lot 48, in grease super combg. H, 1 bale

London declines are not felt in like proportion in this country.

Wools are all branded.

How the catalogues are arranged.

¹ See footnote (Catalogue) next page.

extra combg. H, tares 12, 23 bales in the lot." This page exemplifies, to a remarkable degree, the care with which the wools in Australia are classed and arranged, so that a man need only buy what he wants to buy.

Now, when you have a catalogue made up on that plan you know very well that some of the wool you are not going to look at. As an American you have no interest in lots from 63 on, for they are not "suitable for America."

When we get to the top floor where the wools are exposed, we will hand our umbrella and overcoat, possibly our silk hat, to the man who keeps the lift. Then you put on a smock-coat

CATALOGUE OF ONE DAY'S OFFERINGS

London Docks

Ex TARTAR. @ Melbourne.

	Tare Lot lbs.	Mark	Bales
In grease super combg. H, 1 bale extra " "	48	12	Coree 23
" " " " E	49		5
" 1st " "	50		48
" " " " E	51		18
" 2nd " "	52		17
" super clothing, H, No. 542 2 qualities	53		19
" " " " E	54		9
" 1st " "	55		44
" " " " E	56		22
" 2nd " "	57		16
" black, mixed	58		1 X
" 1st pieces	59		7
" super lambs	60		9
" 1st "	61		26
" 2nd "	62		13
Scoured	63		10
" 1st pieces	64		14
" stained pieces No. 1635 mixed	65		6
" bellies	66		28
" locks	67		17
" 3rd lambs	68		4

PRICE REPORT—DAY AFTER SALE

73, Leman Street


EX PAPANUI @ New Zealand.

	Lot	Mark	Tare lbs.	Bales
Slip 1st x-bred lambs	165	Awarua	11	2 1 0½
		J G W		
" " ¾-bred "	166			16 0 11½
" " Lincoln "	166A			1 0 10½
" 2nd ¾-bred "	167			2 0 9½
" 1st ½-bred combing	168			1 1 1
" " ¾-bred "	169			10 1 0½
" " x-bred "	170			7 0 11
" " " "	171			33 0 10½
" " " "	171A			1 0 10
" " Lincoln "	172			9 0 10½
" 2nd x-bred "	173			10 0 9
" " " " dgd	173A			1 0 8
Washed " pieces	174			2 0 8
" " " lambs	175			1 0 8

EX AYRSHIRE @ New Zealand.

Greasy Super ¾-bred	176	Hauti	13	23 0 11½
		N Z		
" Lester	177			48 0 9½

EX MARERE, RANGATIRA & INDRADEVI
@ New Zealand.

Greasy 1st x-bred comb'g H	178		13	18 0 10
		Gore		
" " "	179			10 0 9½
" 1st ¾-bred combing	180			54

which will cover you to the feet, so you will be absolutely preserved from dust and dirt. With your catalogue you will start and travel along these alleys and pick out the things you think will interest you and make your memoranda. You say probably Lot 48 is all right for quality for you, that it is long enough for your purpose, it is sound enough for your purpose, etc. The first thing to do is to make up your mind how much of it won't be there when scoured. What does it shrink? Your limit is say 75 cents scoured (the speaker explained the method of making calculations and memoranda).

And so you go on through the whole of the thousand lots, leaving, of course, a great many you don't care anything about. Probably by 12 o'clock you will have tramped the warehouse around and will have made up a list of what you think will suit your purposes, which you hope you may be able to buy at prices you have marked.

Then you go back with your broker to his office, and figure out what work you have done, and make out a list of what lots you want to buy and what you can pay for them, and he probably turns over your bids to a bidding broker. A bidding broker is a man who serves oftentimes two or three or four of the buying brokers, who has clerks around him, and who does nothing but handle the bids in the auction.

The selling broker is on what we call a rostrum, and at each side is a clerk, so all the data may be made in duplicate and nobody will have a chance to say a clerk made a mistake, because the reports of the two clerks must correspond. When the auction begins, to a novice it is one of the greatest shows in the world.

This goes on from four o'clock until six o'clock. By that time everything will be sold except those lots marked with a star — anything of three bales or less, called the "star lots;" after the brokers have gone these are sold by their clerks. And in that they differ from the method sometimes followed in this country. In London the sharpest wits of buyers and sellers are concerned with handling the wool. Here it is too often the case that a boy graduates from the office into buying wool in the West, and he gets his education at the expense of the employer. The only commendable thing about it is the man who sends him out to get his education does pay the expense.

When the day's work is over you go back to your broker's office and compare the memoranda that he brings of what you bought and what you paid for it, and after attending to your correspondence, if everything is favorable, you get through with your work and get back to your hotel about eight o'clock, taking home with you the catalogue for to-morrow. You don't want many evening engagements if you are going to be called for work again at five-thirty the next morning. Twenty-five years ago when there were only four sales in the year, they ran for three or four weeks, and you did not know what was going to come up

through the week and never knew whether it was safe to go away for a day, because the day you would go away might be a day when the market would slump a little.

The terms on which these wools are sold are plainly printed on the front page of these catalogues every day, so that you may know exactly what you are required to do, just when you must pay for the wool, just when you can take it away, etc. You have fourteen days in which to get it away. But it never gets away from the warehouse until the substantial cash is in possession of the seller. No credit to it at all so far as the seller and warehouse are concerned. The banks do the credit business over there, and I would be devoutly thankful if the bankers did all the credit business here. One of the most distressing things, to my mind, is the fact that so many wool manufacturers have to be bankers for their customers. Witness the terms on which goods are sold. It is a most deplorable situation that the manufacturers of woolen and worsted goods in this country are largely bankers for the people who consume them.

On arrival from Australia the wool is taken into these warehouses, usually along the Thames, and weighed, and lies there until the day of the sale, and not on the top floor either. It is apt to lie close to the ground or under the ground, the top floor being reserved for sale days and other purposes. All the wool you and I have picked out and thrown on the floor in looking into the bales must be picked up and put back again in the bale and the cut part of the bale sewed up. The stevedores are not experts and they may get something in the bales you do not buy, but according to the conditions of the sale you do not have any recourse. The bales will be weighed up but never at more than the weight at which they came in, and the extra goes to the warehouse-keeper. That is the rule and you haven't anything to say about that either.

It is not necessary for me to say anything at length as to the desirability and possibility of selling wools at auction in this country. In 1904, in January, I was sent by the National Association of Wool Manufacturers, to Portland, Oregon, to spend a little time at a joint meeting of the National Wool Growers Association and National Live Stock Association. I stopped in Chicago and was asked by the people of the stockyards to consider the proposition of selling wool here at auction. In my report to the National Association of Wool Manufacturers (March Bulletin, 1904) will be found what I thought on that subject.

There isn't any question at all but that the American wool grower could sell wool at auction if he would employ competent classifiers to put up his wool, as now do two or three men whom I know. If he would establish a classification approximately like the Australian—not at all to its refinement—but, I say,

approximately like it; and if it were understood that he would *brand his clip* so that the buyers who went there could hold him responsible, if there were anything like the penalties in this country for false packing that are enforced in Australia, so you could follow a man for months and years after he has falsified the packing of his wool, and collect damages—if that sort of thing ever came about in this country, it might be possible and hopeful to institute the sale of American wools at auction.

Until you can get something like that it seems to me that it is going to be very difficult. (Applause.)

THE INVIOABILITY OF MERCANTILE OBLIGATIONS.

BY WILLIAM WHITMAN.

THE following address was delivered by Mr. William Whitman at the banquet of the Knit Goods Manufacturers' Association, held in Albany May 13. He said :

It was with great diffidence that I accepted the invitation to be your guest this evening and deliver an address. I distrusted my ability under existing conditions to speak words that would be either useful, helpful, or encouraging. I feel equally diffident now, but obligations to your Association, with which my business is closely affiliated, the desire to meet so large a number of your members, and my personal friendship with many of them, inspire me with courage to express very briefly some thoughts regarding existing trade conditions and relations which affect us all alike.

Unquestionably the present depressed and disrupted condition of business and industry in this country is to be ascribed to the recent financial panic. In my judgment the disastrous effects of that panic are more widespread and lasting than those resulting from any other panic during the last half century. They would have been incalculably more ruinous had not industrial, agricultural, and commercial conditions for a long time previous been unusually healthy and the country more prosperous than ever before in its history. Because of these there have been comparatively few failures.

While the process of restoration appears to be slow, there is every reason to cherish the hope that normal conditions will prevail at a comparatively early day. Money which was almost unobtainable for several months is now offered at lower rates of interest than for many years. Stocks of merchandise are depleted. The shrinkage of values has apparently ceased. This shrinkage has been so great—greater than I have ever experienced—that prices now ruling are so low as to offer extraordinary inducements to buyers. Purchases can be made with greater safety as

to change of value at the prices of to-day than they could have been made at any time for several years. It seems to be a good time to buy. I think it is always good business to buy when prices are abnormally low. I do not look for cheaper cotton or wool, which are the raw materials we are more especially interested in. Once buying sets in, prices cannot but advance. Confidence is being gradually restored. When we consider the long period of depression through which we have passed, with its attendant results, in connection with the high promise that our agricultural products will afford a large surplus for shipment to foreign countries, how can we help being inspired with confidence in the early return of prosperity to our various industries? There are more people to be fed and clothed to-day than at any previous period. There is not only an increase in the population, but there will be an increase in the wants, if not the needs, of our people. Time will accentuate such wants. As an indication of the confidence of myself and associates in an early restoration of business activity, let me say that we are now erecting and will soon have in operation a new cotton spinning mill that will cost \$1,500,000.

By newspapers, magazine articles, public addresses, expressions of commercial organizations, and sermons from the pulpit we have been told of the very many causes for the late panic, of the many lessons supposed to be taught by it, and of many remedial measures alleged to be necessary to prevent future panics. Most of these will soon be forgotten. It is not my present purpose either to discuss or even enumerate them. Permit me, however, in availing myself of the opportunity now afforded me, to speak very briefly of but one of the chief causes of panics and business disorders, and to impress upon you the vital importance of advocating, enforcing, and acting upon the fundamental principle that mercantile obligations should be held inviolable. The time is opportune for such action. It is in harmony with the great moral awakening of the entire country with which his Excellency, Governor Hughes, is so prominently identified.

I do not question the business honor of our people, but recent experience has forced me to the conclusion that business methods are loose, if not vicious, and that too large a proportion of business men do not recognize the binding nature of the obligations imposed by contracts. It seems to me that this is especially so in the business in which we are mutually engaged, and I think that it should not be so. In my opinion, a true regard for the inviolability of mercantile obligations furnishes the best safeguard against unnaturally rapid expansion of credit or of business. If that regard existed, financial institutions would be more careful in making engagements for the loaning of money, and surely one of the greatest losses to the business community during the recent panic resulted from the sudden withdrawal of bank accommodation. Commission houses would not arbitrarily withhold

customary advances upon the merchandise of their consignors. Nor would they easily permit returns and cancellations which are so detrimental to the interests of consignors.

When our merchandise is disposed of we should have the assurance that the sales are bona fide and that payment can be depended upon. If every man who sold merchandise would insist that the buyer live up to the terms of the sale; if buyers would feel that they must not buy beyond the needs of their business or beyond their capacity for paying; if both buyers and sellers would recognize their mutual obligations to the full extent, and neither one would expect the other to bear any part of his losses or burdens, it would surely lead to more conservative and sounder business transactions.

The maintenance of a high standard of business honor depends upon a thorough understanding of the character, scope, and binding nature of business obligations. It behooves every man to insist that his business transactions shall be based upon the faithful performance of all contracts. Most business controversies arise from loose, if not improper, ways in which contracts are made. Such contracts have the effect of lowering the regard in which obligations should be held. Honor is the foundation of credit. Character and honor are synonymous. Character has been described as the power to make talent trusted. Wealth or property without honor is an insecure basis for credit. Our country's vast volume of business, so immense that it cannot be comprehended in its entirety, nor conveyed to the mind by statistical exhibits, has been built up by, and is now conducted upon, credit. A very large part of this immense business is transacted without written contracts, and a larger part under written but not legally binding contracts. The spirit, not the letter, of the contract is, after all, the essential thing. Business men must trust each other, and this trust or confidence is to be based upon character. We must look rather to the man who makes the contract than to the contract itself. We are often told that the standard of business honor is not so high as it used to be, but years of experience convince me that this is not true. No one can consistently deny the existence of the evils to which I have referred, nor of many trade abuses, fraudulent transactions, prevalence of speculative mania, unreasoning haste to get rich, and the overestimation of wealth among life's blessings. But all these and kindred evils have ever existed and probably will exist in a greater or less degree to the end of time. The fundamental principles of permanently successful business, however, are the same now as yesterday, and will remain the same forever. Business based on wrong principles cannot be permanently successful. Fortunately the results of wrongdoing are in themselves preventives of wrongdoing. Failure to live up to the terms of a contract is only excusable on account of inability to perform, and inability is, after all, only a partial excuse, for obligations should

not be incurred without reasonable certainty of ability to meet them. Any attempt to evade the terms of a contract on a technicality is to be condemned. The magnitude of our business is so great that it could not be transacted if contracts had to be surrounded with every possible legal safeguard. The oral should be equally as binding as the written contract, but the latter is needed to prevent misunderstanding of terms or conditions, as well as lapses of memory. Sellers of merchandise only too frequently refrain from demanding what is justly due them from buyers for fear of losing what they term the buyer's patronage or good will, but neither buyer nor seller can afford to do business with those who either cannot or will not meet their obligations.

It has been said that competition is the life of trade. While this may be true, there is a kind of competition that is ruinous to trade. The records of the past are filled with business wrecks resulting from unfair competition. Such competition as comes from underselling the products of one's own or others' labor is destructive. Underselling is to be condemned, not approved. No man should be excused from the performance of a contract because of loss arising from changed market conditions. The burdens of mistakes or errors of judgment should be borne by those who make them. Burdens of the community can be more widely and evenly distributed by each man accepting and bearing his own burdens. The man who cheerfully and manfully bears his own burdens cannot but command the respect of his fellows. No man should be excused from his own obligations because he has excused others from their obligations to him. Generosity, liberality or philanthropy cannot honorably be indulged in at the expense of others. The first obligation of the debtor is to pay his own debts rather than to release from payment the debts that may be due to him. One should be just before he is generous. He who would intentionally evade obligations is not entitled to credit. The wrongdoer is a menace to all honest, straightforward men — the worst kind of a competitor in business. I am unable to distinguish between the obligation expressed in a note and the obligation of a maturing debt on open account. There should be no preference in payment of the obligations of ordinary business transactions.

During the trying period through which we have been passing we have been common sufferers from trade evils. As you know, there have been demands for cancellation of orders, refusals to accept shipments, requests for delayed deliveries, extension of payments and postponement of payments. There have also been non-payments and attempted evasions of contracts of all kinds on purely technical grounds. Recognition of such demands and requests and the granting of them would cause widespread mercantile disaster and disturb the foundations of credit. Such organizations as yours have it within their power to do much towards remedying trade abuses to which I have referred.

They can also do much towards cultivating and maintaining a high standard of mercantile honor among their members. Those who insist that business obligations shall be fully met may be regarded with disfavor by delinquents, but they are entitled to the hearty support of their associates and of all good men. The delinquent only should be regarded with disfavor.

For our mutual protection we should unite and stand back to back for sound business principles. They will insure greater safety and preserve honor and credit, and I take it that it is the ambition of the larger part of those engaged in business to uphold the honor and the credit of American business men and to give courage and support to those who insist upon the enforcement of these principles. The maintenance of a high standard of mercantile honor is essential to high credit, and our material prosperity is largely dependent upon both. While insisting upon the inviolability of mercantile obligations, we are forced to admit that there are such things as accidents, misfortunes, losses, and failures which bring to grief honest, capable, and well-meaning men. These have claims upon us for assistance which deserve and in most cases cheerfully receive recognition. The views I have previously expressed are not intended to warrant a declination to extend such accommodations as properly belong to the amenities of business relations.

At the close of my business career I would like to have it said of me that I never attempted to evade a just obligation or failed to meet one, even though such an expression should be coupled with the assertion that I insisted upon the fulfilment of obligations to me.

THE NATIONAL WOOL GROWERS CONVENTION.

THE annual convention of the National Wool Growers Association was held in Helena, Mont., January 14-16. Because details were lacking we were unable to print in the March Bulletin any report of this meeting. Although somewhat late for news we feel no hesitancy in yielding the necessary space in this number for extracts from some of the addresses, the report of Secretary Walker, and the resolutions adopted. The program was lengthy, varied, and interesting, considerable time being given to the discussion of that question which has much disturbed the wool growers of the States of the inter-mountain West for several years — "Governmental Regulation of the Public Range." This was discussed by Governor Bryant B. Brooks, of Wyoming, and Mr. T. J. Walsh, of Montana. Among the other subjects were: "The Sheep Industry and Predatory

Wild Animals," by Daniel P. Smythe, Pendleton, Ore.; the "Angora Industry in the United States," John W. Fulton, Helena, Mont.; "Home Consumption of Wool," J. H. Bearrup, Albuquerque, New Mexico; "Is it advisable to hold wool auction sales in the United States?" F. J. Primrose, Philadelphia; the "Conservation of our Western Resources," Prof. C. T. Johnston, Wyoming.

In the absence of the President, Senator Francis E. Warren, the western Vice-President, Dr. J. M. Wilson, presided.

In his address Dr. Wilson, after touching on the conference held in Washington in the spring of 1907 and improved railroad service, secured in part by the activity of the Wool Growers Association, discussed the increase or decrease in the number of cattle, horses, and sheep, and the wool production, saying in part as follows:

As I have already stated, some of the matters I want to talk to you about are in figures, and many of them I shall pass over rather rapidly. Let us take first the increase in cattle and sheep. Instead of giving you the numbers in millions, etc., which is bewildering, I shall simply say this: cattle have increased in number in the last forty years, from 1867 to 1906, 227.1 per cent. Horses have increased in that period of time 225.1 per cent. In the same length of time the number of sheep has increased 29.8 per cent. The population of the country increased 176.4 per cent from 1860 to 1900, a period of forty years. Cattle increased 51 per cent more in the last forty years than the population of the country, and the sheep increased 146 per cent less than the population, or lost, if you will, 146 per cent. In other words, if the sheep had increased in proportion to the increase in population there would be to-day 146 per cent more sheep in the country than there actually is. In the forty years past, with all the tariff and all the protection and everything that you can get, there has been an increase of only 29.8 per cent in sheep. I have taken these figures from the estimates prepared by the Agricultural Department. The National Association of Wool Manufacturers gives the number of sheep in the United States as less than they were forty years ago.¹ It is certainly plain that there has been no practical increase in sheep, and yet the increased consumption of mutton in the past sixteen years has been over 400 per cent, and to-day, according to Government statistics, there are 36 per cent of the sheep flocks of the United States needed for mutton. If the increase, or decrease, if you prefer, keeps up, you will not have mutton enough in the country

¹ The estimates of this Association are only of sheep fit for shearing and do not include lambs, as do the figures of the Agricultural Department. — ED.

in ten years to supply the demand. Just think of it. The increase in the number of sheep in the past forty years has been 29.8 per cent.; the increase in population 176.4 per cent, and the increase in the consumption of mutton in the last sixteen years is 400 per cent, or, in other words, about 36 per cent of the sheep of all the flocks in the United States are needed to supply the mutton demand.

We all like to be considered big. Listen to these figures for a moment. The value of the fleece wool in the wool clip of the whole United States in the year 1907 was \$62,958,165, and the value of the pulled wool in the wool clip of the United States in 1907 was \$15,305,000, making a total of \$78,263,165. Then add to that the total value of mutton in 1907 in the United States, or \$64,165,795, making a grand total of the value of the wool and mutton of \$142,428,960. I have arrived at the value of the mutton on this basis: In Wyoming the State Board of Sheep Commissioners has an absolute check on every sheep shipped out of the State. We have always played fair with the railroads, and the railroads send us the number of sheep shipped from each station each month, and we find that the value of the mutton is 82 per cent of the value of the wool. It was upon that basis that I figured the value of the mutton of the entire United States for the year 1907. I desire to call your attention to another matter, and that is that the value of this pulled wool is 20 per cent of the value of the country's wool product. As I said before, adding to the total value of the wool clip of the United States in 1907 the value of all the mutton, estimated on the basis I have given you, makes a grand total of \$142,428,960 for wool and mutton, which is more than the value of all the gold and silver mined in the United States in the past year, by several million dollars. The value of the wool crop in Montana and Wyoming last year was \$18,464,031; the value of the mutton in Montana and Wyoming last year was \$15,140,507. In other words, Montana and Wyoming produced almost one-quarter of the entire production of wool and mutton in the United States. (Applause.) The value of the wool and mutton production last year was more than the total value of all the oil produced in the United States in 1907.

I now come to a pleasant proposition. This is the forestry proposition. We are in favor of forest reserves on forested areas, handled in such a way as to protect the forest and conserve the water supply, and benefit the greatest number in the neighborhood. We will take up first conditions as they are in Wyoming, because I am familiar with Wyoming matters, and this is a subject on which I made a talk at Rock Springs to Mr. Pinchot. One-fifth of the entire grazing area of the State of Wyoming is in forest reserves. When I asked Mr. Pinchot how much there was in forest reserves, he said, "Ask Mr. Potter." I asked Mr. Potter, and he

The value of
the wool clip.

The extent of
the forest re-
serves.

said he could not give it to me as a whole, but that he could give me the amounts of the different reserves. He gave me those, and I handed them to the secretary, who added them, and found a total area of 9,020,475 acres in the forest reserves in Wyoming, and that 393,000 head of sheep, or, in round numbers, 400,000 sheep, were run on the forest reserves for two months of that year. These 400,000 sheep are run two months on one-fifth of the entire grazing area of the State of Wyoming. Now, if one-fifth of the entire grazing area of the State of Wyoming can furnish feed two months of the year for 400,000 sheep, the other four-fifths of the grazing area would furnish feed for the same number four times as long, or for eight months, and then the people of the great State of Wyoming would have to go outside of the State of Wyoming for two months of each year to feed 400,000 head of sheep. I know that this looks absurd, but those are the actual figures. I will say, too, that some estimate the grazing area left outside of the forest reserves as not over three-fourths of the total grazing area, but I have been generous to Mr. Pinchot, and have estimated it at four-fifths. So, as I say, with one-fifth of the grazing area of the State furnishing feed for 400,000 head of sheep for two months, and on the same basis the other four-fifths of the grazing area of the State furnishing feed for the same number of sheep eight months, making a total of ten months' feed in the State of Wyoming for 400,000 head of sheep, there would still be two months when the people of Wyoming would have to go outside of the State to feed 400,000 head. Instead of that situation we have the following: On the basis of the estimate just made, the entire State of Wyoming would furnish feed for one year for 333,333 head. That is all Wyoming could do, and as I said before, Wyoming and Montana furnish about one-quarter of all the wool of the United States, and Wyoming is pretty close to first place in the race. But instead of the four-fifths of the grazing area of the State of Wyoming that is not in the forest reserves furnishing feed on a basis of 333,333 sheep in the entire State for an entire year, those four-fifths furnish feed for 4,024,560 head for the entire year, save for the two months that the forest reserves furnish feed to the 400,000 head. In other words, four-fifths of the State furnished feed for twelve months to 3,957,893 head, while one-fifth of the State — and the best part of it, too — furnished feed for only 400,000 head for only two months. If the forest reserves had furnished their proportion of feed, the entire State would have furnished feed for 4,947,366 head, or nearly one million more head than it had on the range, a loss of income to the people of the State of Wyoming, based on this year's income, of \$3,400,000. If all the public lands in the State were under lease like the forest reserves, and handled in the same way, it would mean a reduction of all livestock in the State of Wyoming — and we are not nearly so badly off, so far as forest reserves are concerned, as some of our

sister States. That means that out of every one hundred head of stock running in the State to-day, we would have to get rid of ninety head, and we would have the other ten in each hundred head to run the State on — scarcely enough to feed our own people, and, as it is, we have to help feed the East besides.

The receipts from the sheep industry last year in Wyoming — and, as I said, I use Wyoming as an illustration because I am familiar with it, and what applies to Wyoming applies to every other State that has forest reserves in it — amounted to \$15,370,305. But if the lands had been handled under the leasing policy advocated by Mr. Pinchot, instead of the people receiving from the sheep industry in Wyoming in the past year \$15,370,305, they would have received \$1,521,660, or to express it so that you may grasp the meaning, estimating the population of the State of Wyoming last year at 125,000, the sheep industry brought into the State last year \$123 for every man, woman, and child in the State. If we had had the forest reserve policy over the balance of the grazing lands of the State, instead of the industry yielding \$123 to each inhabitant of the State, it would have yielded only \$12.18, and the State would have lost \$110 for every man, woman, and child in it.

I want to impress upon you the size of the forest reserves of the country. The forest reserves in the United States under the control of Mr. Pinchot cover an area of 147,146,240 acres, and that looks like a pretty good sized farm; but you begin to realize the vastness of this amount when I tell you that those forest reserves combined are larger than the States of Maine, Vermont, New Hampshire, Rhode Island, Connecticut, Massachusetts, New Jersey, New York, Delaware, Maryland, Virginia, West Virginia, and with 24,000 square miles left — enough over to make twenty states like Rhode Island, or twelve like Delaware. Comparing the areas of the reserves with the areas of foreign countries, I learned that the reserves are larger than the combined areas of Great Britain, Denmark, Belgium, Holland, Switzerland, Bavaria, Bohemia, Ceylon, and Sicily, and just imagine how many rulers there are in those foreign countries, and *only one ruler in ours*. Those figures are astounding, and when I tell you that the forest reserves under the control of the forester cover an area equal to one-half of 1 per cent of the entire land area of the world, you begin to realize conditions. If the entire land surface of the world were divided into farms of 200 acres each, Mr. Pinchot would be there looking after his one acre. There is one acre out of every 200 acres on the surface of the earth in forest reserves alone. To give you an idea of the immensity of that, I will use the following illustration: They tell us that the earth is 25,000 miles in circumference at the equator; if Mr. Pinchot should take a strip along the equator entirely around the world, the strip would have to be over nine miles wide in order to make an area as large as the area included in the forest reserves. In

other words, a strip of land nine miles wide running entirely around the earth at the equator, across land and water, is equal to the land included in forest reserves. Or, if you would place the forest reserves in a strip at the fortieth parallel, which is the parallel that runs through Philadelphia, Columbus, Indianapolis, and Denver, extending over a distance from ocean to ocean, it would make a strip 86 miles wide and 2650 miles long. If Mr. Pinchot were on one of the great through trains of the country, passing through a strip a mile wide, so that he could look at half a mile on each side of the car, and could travel at the rate of 30 miles an hour, ten hours a day, three hundred days in the year, he would be a little over two years and a half looking at his domain. A little over two years and a half. Think of it.

The area of the forest reserves is 229,916 square miles, and the area of the public lands in the United States is 662,816 square miles, or a total of 892,732 square miles in forest reserves and other public lands. The forest reserves and the public lands of the United States combined are larger in area than the twenty-six States in the Union east of the Mississippi river, with the District of Columbia thrown in. The area of the forest reserves and the public lands of the United States that may become reserves is larger than the combined area of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Pennsylvania, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, Ohio, Indiana, Illinois, Michigan, Wisconsin, and the District of Columbia. In those twenty-six States, with fifty-two senators, there are 881,735 square miles of area, or nearly 11,000 square miles less than the amount of land included in the forest reserves and the public lands of the United States. This land would make a strip around the earth at the equator 35.7 miles wide, or, following the fortieth parallel from the Atlantic to the Pacific, it would make an empire 336.8 miles wide. The forest reserves and the public lands comprise 29.5 per cent of the entire area of the United States, and 1.7 per cent of the area of the land of the entire world, so that if you should divide it off into farms of about 60 acres each, Mr. Pinchot would have to look after one acre in every 60-acre farm in the world, and yet they tell us to be patient and to be good. When one man can get control of more country than is included in the area of every State east of the Mississippi river in the United States — a region of country with fifty-two senators — I don't know what we may expect next. I know that the great mass of American people are honest. I know they will not submit to anything that is not right, but I am willing to make this prediction: If Mr. Pinchot needs a politician, and if he will turn over the forest reserves and grazing areas in these western States, I will ask for no contributions, but I will give him every

The area of
reserves and
the public
range.

senator or member of Congress he wants, because I would have enough forest reserve riders to have them elected, and if one of you gentlemen should dare to get up and say that you owned your home, I would make it so hot for you that you would vote for us anyhow. You couldn't help it

In the annual report of the Agricultural Department of the Government for the fiscal year ending June, 1905, which was the last report I could obtain, the figures showed that there were nearly 40,000,000 post-mortem inspections of meat animals made. In round numbers, there were over 6,000,000 post-mortem inspections of cattle, nearly 8,000,000 post-mortem inspections of sheep, and over 25,000,000 post-mortem inspections of hogs. Of the 6,000,000 cattle inspections, 11,000 were found to be tuberculous; the number of hogs found tuberculous was 207,000 head; and the number of sheep found tubercular was 27 head. In other words, in every 291,580 sheep, one had tuberculosis, or a little over three sheep in a million head had tuberculosis. I know these figures are deceiving. One gentleman asked me if I had figured that on a per cent basis; I said that I had tried, but when it came to the sheep, the percentage of tubercular sheep was so infinitesimal that I didn't know how to point the decimal to make it intelligible. So I have put in numbers; there is one sheep with tuberculosis in every 291,580 head; in 291,580 head of cattle there are 555.3 that have tuberculosis; and in the same number of hogs, there are 2390 head that are tubercular. So that, if one man eats beef, and another man eats mutton, the man who eats the beef stands a chance of contracting tuberculosis in one year, while the mutton eater stands a chance of catching it in not less than 555 years.

They say we are ruining the range. I tried to get a report from the different States in the West, but it was impossible to get them in the time I had. However, I have one from Wyoming. I think you can get more information out of this report in regard to the livestock industry than from any other report from any State that I have received. Ten years ago there were 297,240 head of cattle in the State of Wyoming with an average value per head of \$12.56, making the total valuation of cattle in the State \$3,732,558; in 1906 there were 508,075 head, or 211,835 more head in 1906 than in 1896; and those 508,075 cattle had an average value per head of \$14.24, making the total valuation of the cattle in the State in 1906 the sum of \$7,233,427. There was nearly twice as much value in the cattle of Wyoming in 1906 as in 1896. The statistics regarding horses do not show as large an increase. In 1896 there were 77,367 head of horses in Wyoming, with an average value of \$13.40 per head, making a total valuation of horses of \$1,037,009. In 1906 there were 79,571 head of horses in Wyoming, an increase of only 2204 head over 1896, but the

The range
limit has not
been reached.

valuation was more than double that of 1896. In 1896 there were 1,308,063 head of sheep in Wyoming, with an average value per head of \$1.77, and then we had no forest reserves; and in 1906, there were 2,874,686 head in the State, an increase over 1896 of 1,566,623 head. In other words, the ranges of Wyoming, even with one-fifth of the entire grazing area of the State in forest reserves, are feeding more stock to-day than ever before in any day of the State's existence; and if they will only let us go on and not interfere with our development, we will carry more stock in the future than we do at present. The State has not reached its limit yet.

THE SECRETARY'S REPORT.

Secretary George S. Walker, in presenting his annual report, referred to the very marked increase in the membership of the Association due, in large part, to his energetic and persistent campaign to make the Association more useful and helpful to the flockmasters, by guarding their interests in every way. In 1906 the paid membership had dwindled to 36; at the convention of 1907 5338 were on the roll, and one year later the exact number was 7411, surely a gain highly creditable to the organizing ability of the indefatigable secretary.

Referring to his relations with the secretary of this Association, Mr. Walker wrote:

During the past year we have been in correspondence with officers of the National Association of Wool Manufacturers, and I believe much has been accomplished to bring the two great national organizations into closer touch. The honored Secretary of the Manufacturers' Association had intended to be with us here in Helena and talk to us regarding the gathering of the wool clip and the methods of marketing the same, but illness prevented. He has suggested, however, that the association take up the matters of marketing the wool clip, believing there is much that can be done to improve present methods, and as a result of which the grower will receive more satisfactory returns, and the manufacturers will obtain a much better quality of wool. With these matters in mind, I would suggest that this convention authorize the appointment of a committee of one or two to visit Boston and confer with the officers of the National Association of Wool Manufacturers for the purpose of outlining plans for coöperation for mutual benefit.

Among the resolutions adopted were those which endorsed the Bureau of Animal Industry for efforts to eradicate scab and other contagious diseases; declared for a law compelling interstate

railroads to transport livestock between feeding points at a speed not less than fifteen miles an hour; urged the passage by State legislatures of a uniform bounty law to provide for bounties on predatory wild animals, especially the coyote and wolf, and urged the establishment of a field pathological station to study the outbreak of disease among sheep, cattle, horses, and hogs. Those relating to the Forest Reserves and their management, the tariff on wool and hides, and the Angora goat husbandry are as follows:

RESOLUTIONS.

The National Wool Growers Association in its annual convention assembled, considering those subjects of concern to the sheep industry, finds it threatened in the mountain and plain States with a peril in proposed national legislation, so grave in character as to excite the most anxious solicitude for its future.

We are convinced that the scheme of regulating the use of the public lands for grazing purposes by the national government, either under the leasing or the permit system, can result only in calamity to the range sheep business. We find no occasion in the existing conditions for any attempt on the part of the general government to regulate or restrict the use of the public range. We attest from actual experience and long acquaintance with the range in the public land States that the claim emanating from high official sources that it is being destroyed by unrestricted grazing, and particularly by roving bands of sheep, is not true; and we are confident that the good sense and business judgment of those engaged in the range stock business, and who must rely on the productiveness of the range in successive years, will be a safer guarantee for the protection of the range in the future than could any system of government control be, however cunningly devised.

The conduct of the business of those engaged in raising stock that graze upon the public lands, in conformity with regulations and under restrictions laid down by a department of the national government, and carried out by subordinates appointed by and responsible to it, would be found intolerable and disastrous. The system could be carried into effect only at an expense to the stock interests that would be enormous in the aggregate, and for which we are satisfied there would be no adequate and no substantial return.

We are entirely confident in the belief that the proposed legislation for government regulation or control of the public range will operate to impede and retard the settlement and development of the western States, and that one of the most powerful inducements the government can present for the settlement of its lands within their borders is to continue to offer, in the future, as it has offered in the past, to all comers, equal oppor-

tunities and privileges in the use of such lands for grazing purposes until they shall eventually be appropriated by actual settlers.

These and other considerations which have been impressed upon us by actual experience with the system proposed, as it is now in operation on the forest reserves, impel us to condemn it unqualifiedly.

Wherefore we protest against the passage of Senate Bill 2968, introduced by Senator Burkett, or any other measure providing for the leasing of any of the public lands or the granting of permits for the use of the same for grazing purposes.

Nothing in these resolutions is to be understood as implying any general disapprobation of the public land policy of the present administration. We particularly commend its vigorous enforcement of the laws intended to prevent the commission and to punish the perpetration of frauds in connection with the appropriation of the public lands. We are unqualifiedly in favor of the preservation of the public forests and of the creation of forest reserves out of timbered areas, within which timber may be cut only under government surveillance, without, however, giving our approval to the plan of imposing the burden of forest preservation upon the livestock industries.

We demand the prompt elimination from forest reserves of all land not timbered, nor suitable for reforestation or reasonably necessary to conserve the flow of streams used for irrigation in arid sections, and that the limits of existing reserves be speedily and plainly marked, that citizens may not be accused of and punished for trespasses unwittingly committed.

The forest reserve act was passed, as it is understood by us, to subserve a great national purpose of which the benefits were to be and, as we believe, will be, enjoyed by the whole people of the United States, and particularly by those residing along the lower courses of the Mississippi river, and we protest against imposing upon the people residing in the neighborhood of these reserves and who make use of them for grazing purposes, in the same manner as the public lands have always been enjoyed by the pioneers without charge, the burden of the care and protection of such reserves.

While, however, the policy of taxing the stock interests for forest preservation is persevered in, we demand that permits for grazing privileges be granted for such periods, not less than three years, as will justify applicants for privileges on forest reserves in the sinking of wells and constructing reservoirs and making other improvements within the reserves necessary to their beneficial use, and as will enable stock-raisers to contemplate at least for a brief period the conditions under which they may conduct their business.

The development of the other resources of the public land States is obviously a matter of deep concern to those engaged in them in the raising of livestock. We accordingly commend to

the consideration of Congress the fact that while the mineral lands included within the forest reserves are theoretically open to prospecting, the limitations of the forest reserve rules are such as to render it practically impossible to secure an investment of sufficient capital to develop mining claims after the prospector has found them, and capital will not, except in rare cases, invest in mining claims or locations within the forest reserves, as they prefer to operate under well-defined legal rights rather than permissions and privileges dependent upon the pleasure of departmental forces.

We find and likewise commend to the attention of Congress that while the law in reference to forest reserves provides for homestead entries within them, they are made under such burdensome restrictions and limitations as to operate to deter their appropriation by settlers who despair of the growth of communities under the conditions imposed large enough to bring schools, churches, and other institutions incident to community life.

We condemn the practice of the forestry bureau in imposing, without a trial of any character, burdensome fines upon grazers upon forest reserves, under the pretext of demands for damages consequent upon a violation of the regulations or for trespasses, accompanied with the threat that, in default of payment within a brief period, the permit of the alleged offender will be canceled and his stock driven off the reserve.

The right of a hearing before some regularly constituted tribunal before being condemned, is a right that is sacred and inherent in citizenship, a right of so fundamental a character that its denial is plain tyranny.

RESOLVED, That we oppose the policy of the Forest Service in certain forest reserves, on which the grazing of sheep is prohibited, of denying a trailing permit over the same to enable shippers to reach the best shipping points, and requiring sheep to be trailed many miles around said reserves, to the great loss and damage of such shippers.

RESOLVED, That we approve the present tariff on wool and hides, and deprecate any attempt to alter or modify the same.

WHEREAS, Recognizing in Angora husbandry a livestock pursuit kindred to sheep raising that is peculiarly adapted to many localities in the United States, and an industry that is of signal promise in this country; and,

WHEREAS, Appreciating in the materially inadequate supply of domestic Angora products for the home demand to-day, necessitating annual purchases of mohair and skins from foreign countries of upwards of a million dollars in value, it would indeed be showing an un-American spirit if encouragement and protection shall not be meted out to the plodding husbandmen of this young industry.

NOW, THEREFORE, BE IT RESOLVED, By the National Wool Growers Association, that it endorses the demand of the Angora

husbandmen of this country for the continued protection of the present duty on mohair; for a protective tariff on Angora skins; for a reduction of the fee for grazing on the national forests to the same rates applying for sheep; for an enumeration of Angora goats in the next census separate and apart from the common or non-shearing animal; for provision by the Department of Labor and Commerce for procuring and compiling statistical information relating to the annual production, importation, and consumption of mohair and Angora goatskins in the United States; and for a continuation of the efficient work of the Bureau of Animal Industry of the United States Department of Agriculture in behalf of the Angora industry and provision for the printing and distribution of liberal editions of its enlightening and instructive publications on Angora husbandry; and

BE IT FURTHER RESOLVED, That we commend to Congress, to the Department of Agriculture and the Department of Commerce and Labor, the need of favorable action on the requests of these, our fellow husbandmen.

RESOLVED, That we recommend for favorable consideration by wool-growers the plan of holding wool auction sales in America similar to those held in London.

The following officers were elected:

President, Fred W. Gooding, of Idaho; western vice-president, Dr. J. M. Wilson, of Wyoming; eastern vice-president, Joseph E. Wing, of Ohio; secretary, George S. Walker, of Wyoming; treasurer, Lewis Penwell, of Montana. Executive committee: Arizona, P. W. Perkins and T. E. Pollack; California, L. W. Olase and George L. McCoy; Colorado, A. J. Artiz and John Lawrence; District of Columbia, Col. George Truesdell; Idaho, P. G. Johnson and W. H. Phildraca; Illinois, Mortimer Levering and W. W. Burch; Kansas, N. A. Gwin and J. W. Troutman; Massachusetts, Frank P. Bennett; Michigan, C. A. Tyler and Bert Smith; Minnesota, Dr. E. D. Titus; Montana, J. E. Bower and John D. Waite; Nebraska, Robert Taylor and Frank Hershey; Nevada, M. E. Brady and J. H. Hilton; New Mexico, Sol Luna and A. D. Garrett; New York, G. Howard Davison and W. G. Markham; Ohio, A. A. Bates; Oregon, W. D. Barrett and M. J. Finleyson; South Dakota, F. E. Bennett; Texas, J. H. Nations and Firnum Beck; Utah, John E. Austin and S. J. Hoster; Wisconsin, F. W. Harding and S. N. Buck; Wyoming, Tim Kay and William Daley; Hawaii, G. J. Waller and Eben P. Low.

LOCKS AND THE USES TO WHICH THEY ARE PUT.

Now that the better preparation of wools for market is a matter of increasing prominence and importance in the United States as well as in South Africa, England, and even in Australia, it seems peculiarly fitting to print for the enlightenment of our wool growers some information concerning the uses to which locks can and must be put by the manufacturer. These uses are so well stated in an article which appeared some time since in "Dalgety's Review" that we take the liberty to reproduce it. Let it be understood that the wool manufacturer does not object to locks in themselves, but he does object to finding "locks" in the fleeces purchased for combing purposes. A worsted spinner has no use for locks, primarily because of their lack of length, and they must be disposed of to men in different lines of manufacture to be used for purposes for which they are adapted. All these facts are pointed out in the article and need not be repeated in these few words of introduction. We commend the article strongly to our wool growers, who, we trust, will see from it how much attention to these seeming unimportant details will mean to them financially, and also what a service they will be rendering the wool manufacturer, whose interests are the growers' interests also. The writer, hiding his identity under the *nom de plume* of "Home Manufacturer," writes as follows:

One cannot walk round on any wool-selling day in either London docks or the various Sydney warehouses, where the wool is on show, without being struck with the many different varieties and descriptions of wool which are offered for sale, even the uninitiated being struck with the great difference there is between one lot and another. When careful note is made of the descriptions of wool and the names by which different parts of the fleece are known, it is seen that their number is almost legion; hence a man must possess more than a surface knowledge of the article if he is to be at all successful in handling the shorn fleece.

That the varieties of wool are very numerous is also very well known to the station-holder, for when shearing time comes round at most classing and sorting boards careful note is made over every fleece that is thrown upon the table for skirting and preparation for market. A word of praise is due to the average Australian sheep owner for the ability which he displays in handling his shorn fleeces, for although I see, weekly, wool from almost every quarter of the globe, still there is no sheep-farmer anywhere who can hold the candle against the Australasian

pastoralist in his smart, intelligent, and up-to-date methods of handling the fleece. The sheep-farmers of South Africa are very lax in this particular. In view of "locks" figuring prominently at every shearing, I think we can discuss their use and learn something interesting and practical both to the grower and manufacturer alike.

GATHERING UP THE FRAGMENTS.

Listening the other day to an able speech on fragments, in which was shown that Nature knows no loss or waste, gave rise in my own mind to the title which heads this article, for at their best locks are really the last and poorest remains at shearing time. As I have handled and valued thousands of bales of merino locks, I have thought at times that everything excessively wasty and short has been shovelled into the bales, the grower evidently thinking that it mattered little what they were like. The principle of economy and gathering up the fragments is as advisable at shearing time as it is in all well-regulated businesses, and to undervalue the importance of locks would be foolish in the extreme. Yet in making these and baling them a little more care and attention would oftentimes produce a penny more per pound, and such a price, though it may seem small, yet a penny on, say, 3 d. to 4 d. wools is a far more profitable return than 2 d. on wools, say, worth 22 d. per pound. As a manufacturer, let me advise those responsible for the shorn fleeces to try to preserve as much character with the locks as they do with the combing — that is, let us have as little earth, seed, and extraneous matter as it is possible. If locks before being baled were put over, say, a screen with a perforated bottom, through which earth and dust could drop, it would oftentimes improve their value by $\frac{1}{2}$ d. to 1 d. per pound. The man who buys locks and pieces does not want to purchase a few hundredweight of mother earth, being satisfied to get the wool fiber alone. It sounds, too, sense that the heavier their condition, the less price the user is going to give. We all expect to see with locks plenty of extraneous matter, such as burrs, seeds, shives, moits, etc, but the less there is of earth and sand the better. I have often thought that various stations seem to adopt different methods of making and preparing locks, for some are very nice and attractive, while others are bad in the extreme. There is no doubt that the condition of the whole clip is going to exercise a material effect upon the fag end; but where sheep run the year round upon red earthy soil, as they do in many districts of West Australia, South Australia, and here and there in New South Wales, the passing of the locks over a fine screened sorting board would be to the advantage of the wool. This would also materially minimize the cost of carriage, besides giving more satisfaction to buyers, who dread nothing like earth and sand in wool. As they say in Bradford combing sheds, "muck goes dahn

goit," in other words, earth and sand pass down the drain, causing the wool to "yield" badly; and there is nothing injures a clip more than for a buyer to be taken in severely with his estimate of clean yields. All earthy wools are very bad to skill in point of depreciation, and it is this fact which causes me to lay special emphasis on the point just mentioned. Let locks be sent to market with care and smartness written upon them as much as possible, and because they are the "last remains" of the clip don't scamp them.

LOCKS NO USE FOR COMBING.

In looking at locks and the uses to which they are put, it is in order to say that they are no earthly use to a topmaker, the wools being altogether too short, discolored and wasty for combing purposes. One of the very first things which a topmaker looks for is that of length of staple, and that being the case, circumstances compel him to pass by this description of wool. The wool grower has just reason for thankfulness that when the topmaker fails he has still another string to his bow, and it is here that the woolen manufacturer comes in. The wool trade of Yorkshire and every other manufacturing center is divided up into two different, decisive, and distinct classes, namely, the worsted and the woolen trade. The long combing wools are taken for worsteds, and the short clothing wools, which include, say, short pieces, bellies, and locks, for the woolen trade. We have to rely entirely upon the woolen manufacturer and the maker of mule-spun yarn to buy locks, and it would be a very bad job indeed if the woolen people discarded their use. I may say here that they never will do this, for in a certain sphere, and for certain classes of goods, locks are as useful as combing wools are, and under certain conditions they would be preferred.

WOOLEN TRADE GIVES THE BEST SUPPORT.

The Yorkshire woolen trade is much older, and in the aggregate far more extensive in its operations than the worsted trade, and for many hundreds of years manufacturers in the West Riding have been very adept in manipulating short wool fibers. Carding and spinning of wool have been favorite occupations for so long a time in scores of families that men and women to-day in the heavy woolen district seem to bring into the world with them an inherent instinct for spinning and weaving, and it is really surprising what to-day is being produced out of the fragments made by the sheep-farmer. I have seen locks scores of times little better than "muck" on the road, but when properly cleansed, scoured, and carbonized, the wool has been really good; and this short material is largely used for fabrics where "milling" or "felting" is employed. I don't say that locks can be used for the production of the best classes of woolen fabrics,

say for army or police cloths, but thousands of pieces of woolen dress tweeds have been made this last ten years in which locks have figured conspicuously, and to-day when a nice smooth surface is wanted they are largely availed of.

My mind goes back a few years when "venetians" in drabs and grays were very fashionable costume cloths for the gentler sex, and several manufacturers I could name bought nothing else but locks for these materials. Even to-day, when woolen tweeds of a stripe and check character are all the rage both for men and women, we do not find long combing wools being used, but those of short fiber to be spun rather small. Bradford has been told time after time that the sole reason why its dress goods manufacturers have been so quiet is because they will not use mule-spun yarns, as do their Roubaix competitors. These mule-spun yarns are really produced on the woolen mule, and there is nothing better, as I shall shortly show, for producing these yarns than locks.

FRENCHMEN AND LOCKS.

Any one conversant with the wool trade knows that France is a very large buyer of short wasty wools for carbonizing purposes, in which locks figure conspicuously. At Mazamet, in France, there are several firms who make a specialty of carbonizing or extracting seedy, burry wools. That town seems to be blessed with a large, copious supply of very soft water, and several firms in that locality have specialized in handling short wools that must be carbonized before being used. All wool growers will know that when the raw material is charged with extraneous matter, such as seeds, burrs, etc., no machinery will extricate these sufficiently to render the wool fit for manufacturing purposes; hence various chemical liquids have to be employed, such as oil of vitriol or sulphuric acid, to destroy them. How these are employed can be left to some future occasion; suffice it to say that these chemicals act upon and eat away the vegetable matter in the wool, and after being thoroughly washed, cleansed, and oftentimes willeyed, the wool comes out as clean as a cap and perfectly free from all obnoxious elements. It is this process which is entirely responsible for locks coming within the category of usable wools, and if the immense quantity of foreign matter which usually infests locks could not have been got rid of, then it would have been a dark day for this class of material. If some wool growers could see their locks when they have been thus treated they would express great astonishment at the change; and in this way wools which are often very unattractive are made clean and useful, supplying manufacturers with some valuable raw material.

LOCKS FOR FLANNEL PURPOSES.

The reader will clearly see that with a clean wool fiber manufacturers are in a position to manipulate it in almost every conceivable way, and, as I said before, clean, shafty locks are to-day being largely consumed in the production of mule-spun woolen yarns, these being used to produce an endless variety of tweeds and costume cloths. "Rainproof" overcoatings have in them a good sprinkling of good short wool, and no surprise need be felt when I say that even locks will carry a fair per cent of mungo.

It is when we come to look at flannels and the large number of woolen shirtings that we again find a large outlet for good locks when they are good in color. Short wool is always used in the production of flannels, shirtings, and this class of fabric, and when cotton and mungo is mixed, as it usually is, some good wearing fabrics are produced. If the locks are yellow, dingy and discolored, then they are no use where white yarns are required, these being taken and dyed. Here the wool grower will see that when it is possible to classify the locks before they leave the station, it is good policy so to do; and if the piles of stained pieces and locks cannot be tackled at the time of shearing, it will pay to wait till the rush is over, and then to sort the locks into two or three classes, selecting what will come a good color, and branding that wool as first locks. Some stations do this, and it is no uncommon thing to see as high as 3 d. per pound difference between the first and, say, third locks. In doing this care should be taken to put in the first place the locks that will scour white and are the longest in staple.

Where it can be conveniently done, I would suggest that locks be scoured in the colony, for not only is a buyer better able to judge of their character and condition, but those who have them to use know that wool scoured in the colonies and dried in the open air will dye a better and more lively shade than if it comes over to England in the grease and is then dyed here. Wool being dried outside seems to possess characteristics which cannot be obtained when scoured here in England; and explain the fact as you will, if Yorkshire woolen manufacturers want to dye a delicate shade they will always take wool which has been scoured in the colonies in preference to buying greasy wool and scouring it themselves.

DRESS GOODS MADE BY CHEAP LABOR AND DUMPED ON THE AMERICAN MARKET.

AN AMERICAN CONSUL REPORTS TO THE STATE DEPARTMENT
AT THE REQUEST OF THE "TEXTILE
WORLD RECORD."

THE annexed article is reprinted from the "Textile World Record" for March, 1908, the editor of which shows, by the aid of a valuable report made by an American consul in Germany, that conditions being so favorable for the German textile manufacturers, with low wages paid to extremely efficient operatives and lower cost of production, they are able, even against the Dingley tariff rates and the administrative customs law — of which the Germans have complained so loudly — to produce and sell goods in this country at prices which domestic manufacturers have difficulty in meeting — if they are not wholly unable to meet them. The article shows that the present rates of duty on textiles are not more than what the President, in his annual message to Congress, says they must be — always sufficient to "at least make good the difference in cost of production here and abroad; that is, the difference in the *labor cost* here and abroad." After referring to a previous article against the German agreement, printed in the "Record" for July, 1907, and recapitulating the points then made, the writer of this valuable contribution to a feature of the question which will become important in the general discussion of rates when tariff revision is undertaken, wrote, in part, as follows:

It was well that all these things were made known, but they were not enough. When a readjustment of trade relations between a population of 90,000,000 on one hand and of 60,000,000 on the other is to be made, the first requisite is facts, facts that go to the root of the industrial and commercial conditions in the two countries. This we fully realized when the new German tariff with its threat of a tariff war went into effect in March, 1906. When in the fall of that year a commission was sent from Washington to Berlin to negotiate a trade agreement with Germany we recognized that the facts the American representatives needed in order to protect American interests were to be determined not among the bowing and smiling diplomats at Berlin, but among the weary, toil-stained factory workers of Greiz, Gera, Chemnitz and Reichenbach. We knew the German representatives would not disclose these facts. We feared the American representatives

did not possess them, and so we thought we would try to discover them ourselves.

STARTING THE INQUIRY.

After considering various means for accomplishing our object we decided to send a request through the Bureau of Manufactures to the State Department that all the American consuls in German textile districts be called upon for a report on conditions in German mills, showing not only the standard of living and of daily or weekly wages, but the cost of production per unit of weight or measure in the various departments of the mill. Accordingly on May 23, 1907, while the terms of the German agreement were still a secret — in the United States — nine days before the pact was announced by proclamation of the President, we addressed the following letter to the Chief of the Bureau of Manufactures:

BOSTON, MASS., May 23, 1907.

Col. J. M. CARSON, *Chief, Bureau of Manufactures, Washington, D.C.*

DEAR SIR: The industrial conditions in foreign countries form a subject of special interest to American manufacturers by reason of the competition of foreign products in both foreign and domestic markets. I would therefore suggest that you ask the American consuls in the principal manufacturing countries to investigate and report on the conditions in their respective districts. To avoid the mistake of asking for too much information from the various consuls I would suggest that the request be at first confined to textile products, and that special attention be given to Germany by reason of the consideration now being given our commercial relations with that country, which in the year ending June 30, 1906, exported manufactured textiles to the United States to the value of \$30,446,397, classified as follows:

Cotton Manufactures	. . . . .	\$16,459,615
Silk	"	6,103,545
Wool	"	4,895,255
Fiber	"	2,987,982

The following information would be of special value to American manufacturers in enabling them to decide as to the reason why German textile manufacturers can compete in this market despite the present tariff:

1. Wages paid to overseers and operatives in the different departments of the mill.
2. Hours of labor.
3. Class of machinery, giving makers' names.
4. Class of goods, giving samples.
5. Speed of machinery.
6. Number of machines tended by each operative, or number of operatives to a machine.
7. Cost and style of living.

General statistics of the country or district, and statements of opinions should be excluded from the reports, which should be confined strictly to information obtained either by personal observation or inquiries among the mill operatives and other experts.

The value of such reports would be greatly enhanced by photographs of the operatives and their homes, by specimens of pay envelopes showing wages received in typical cases, by interviews with representative mill-workers, and

by samples representing the finished products of the respective mills. These samples are indispensable to a perfect understanding of even the best of written reports on this question.

The consuls should try to put themselves in the place of the American manufacturer, who knows very little about conditions in foreign mills, and then seek the information that he thinks is needed. These reports should be practical, accurate, and of living interest. When giving statements of wages by piece price lists, care should be taken to give full details, that our manufacturers may know just what work is referred to. Thus, in giving prices for weaving per yard, either a sample of the goods should be sent, or full details regarding picks per inch should be furnished.

If properly compiled they would be of great value at this time when industrial conditions at home and trade relations with foreign countries are in a process of general readjustment. It is a great opportunity for our consuls to distinguish themselves, as to do the work right will necessitate energy, ability, and intelligent consideration of many details of industry and commerce, and will attract general attention from the American public.

Yours very truly,

SAMUEL S. DALE, *Editor*.

Colonel Carson, the chief of the Bureau, recognized at once the value of the desired information to American manufacturers, and as a result the letters calling on our consuls for reports were sent out. That was nearly a year ago. It is only within the past few weeks that replies have been received by us. The delay was not unexpected. The figures we asked for are about as accessible as the state secrets of the Wilhelmstrasse. And naturally so. A manufacturer, whether in or out of Germany, guards most jealously the record of his cost of production. To reveal it is to expose his strength or weakness to the enemy, his competitors. We knew all this a year ago, as we know it now, but relied on the doctrine of chances with ninety-one more or less active American consuls in contact with the complicated business and social relations of 60,000,000 more or less secretive Germans.

ONE CONSUL'S SUCCESS.

One consul, at least, has succeeded. His report, which has been forwarded to us, gives the information we desired. With it were sent forty-four samples of worsted and silk dress goods, to each of which was attached a card stating the following particulars:

- Place of origin.
- Width.
- Weight.
- Size of yarn.
- Selling price (for export).
- Cost of yarn.
- Cost of weaving.
- Cost of dyeing and finishing.
- Cost of general expenses.

No.	Width		Height		Depth		Length		Weight		Cost per 100 m		Place	
	cm.	inches	cm.	inches	cm.	inches	cm.	inches	kg.	lb.	den.	oz.	den.	oz.
1	110	14.0	11.32	24	75.50	28	70.65	70.55	76.6	70.2	4	4%	Beag	
2	128	106	164	744	785	744	795	9.35	16.40	120	46.45	1	3%	"
3	110	125	160	744	785	744	795	11.75	16.85	2	4%	"	"	
4	110	155	163	772	855	744	795	9.40	6	1.50	3%	"	"	
5	108	84	2	175	43	175	43	15	16.80	1	3%	"	"	
6	108	87	2	168	23	168	23	15	11.20	1	8%	"	"	
7	130	184	2.25	52	585	22	4	6.90	26.95	1	3%	Beag	"	
8	108	109	1.57	24	16	79	6.90	13.60	18.40	1	4%	Beag	"	
9	108	128	1.38	42	6.65	48	6.40	9.90	15.10	1.20	3.70	4	"	"
10	108	140	1.47	52	5.95	96	7	20.50	14.60	1	4	"	"	
11	103	95	.86	52	5.95	86	6.50	9.20	9.70	1	3	"	"	
12	124	110	.70	26	2.16	70	6.45	6.80	.30	9.0	2.70	"	"	
13	108	75	.96	44	7.60	46	7.60	11	10.25	1.20	2.65	4	"	"
14	110	104	1.72	46	9.90	96	9	12.80	16.75	2	4.70	"	"	
15	140	136	1.75	58	7.65	53	7.15	9.20	7.50	1.50	4.35	1	"	"
16	110	126	1.25	52	8.55	42	6.20	7.50	6	1.50	3%	"	"	
17	105	131	1.23	42	7.10	53	7.15	7.20	6	1.50	2%	"	"	
18	108	151	1.61	42	6.90	48	6.40	14.45	17	1.20	4.45	5	"	"
19	110	134	1.48	58	7.65	53	6.15	7.80	12.80	1.50	3%	"	"	
20	108	127	1.62	740	8.30	740	8.30	8	15.40	1.20	4.45	5	"	"
21	125	200	2.06	43	6.60	186	4.20	9.0	7.5	1.50	3%	"	"	
22	140	166	1.93	37	7	37	6.15	12	8.50	1.50	3%	"	"	
23	105	102	.94	37	7	37	6.15	5.70	6	1.50	3%	"	"	
24	108	115	1.24	56	5.90	96	7.20	16.20	11.90	1	2%	"	"	
25	110	121	1.23	42	7.10	53	7	15.10	6	1.50	3%	"	"	
26	108	82	1.20	42	6.90	49	6.80	15	8.70	1	4.15	5	"	"
27	110	132	1.55	42	7.10	53	7.15	12	6	1.50	3%	"	"	
28	115	134	1.52	760	7.65	53	6.15	8.10	17.20	1.50	3%	"	"	
29	128	170	1.90	49	6.60	22	4.60	5.90	20.50	1	4.7	"	"	
30	104	107	1.50	42	6.90	46	7.60	11.0	14.85	1.20	4.45	5	"	"
31	138	84	1.49	720	8.20	770	8.20	10.10	13.75	1.20	4.20	4	"	"
32	130	185	2.25	56	7.65	22	4	6.90	26.95	1	3%	Beag	"	
33	130	173	2.07	52	5.85	25	3.95	6.90	26.20	1	3%	"	"	
34	110	180	2.67	52	5.85	25	3.95	6.90	26.20	1	3%	"	"	
35	130	194	2.55	44	5.70	25	3.95	5.80						

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This image shows a blank, aged, light brown page, likely an endpaper or flyleaf of a book. The paper has a textured, slightly mottled appearance with some creases and discoloration, characteristic of old paper. The left edge of the page shows the binding of the book, with visible stitching or staples. There is no text or other markings on the page.

Dr.
Place of origin Gratz

Weight 100 combiners
Weight per
square meter 130 grams
Yarn used. Kft 53, Warp 450
Price per meter: Wks 175, 100 yds 175
Price of Kft per Kilogram. Mkt 75
" Warp " 75
Cost of weaving per 100 meter " 75
" " dyeing & finishing " 75
" " ream & other " " 150
General expenses " " 3 -

These particulars for the forty-four samples are given in the accompanying table. We have subjected the report to every available test, with the invariable result of confirming its accuracy and reliability. We analyzed five of the samples taken at random from the forty-four, and obtained the following results:

	Warp.	Filling.	Weight per yard.
No. 1	48 E 1/26 wors.	46 P 1/24 wors.	4½ ozs. 42½"
2	34 " 2/45 "	30 " 2/43 "	4.2 " 50"
4	81 " 2/58 "	81 " 1/45 "	5.6 " 43"
7	87 " 1/42 "	53 " 1/19 "	7.2 " 51"
8	80 " 2/116 silk	162 " 1/70 "	4. " 42½'

Allowing for the difference between the English and metric standards and for the changes in the yarn between the spun yarn and the finished cloth, the actual sizes and weights are found to correspond closely with the consul's memoranda.

Moreover, the samples bear the marks of having come direct from the mill. The headings are in some of them; others show the perforations made by the mill sewing machine. The samples and the technical data all testify to the accuracy of the report.

COST IN GERMANY AND THE UNITED STATES.

As soon as the samples and report arrived we submitted them to several leading American manufacturers of this class of goods with a request for a statement of corresponding details in American mills. The desired information was obtained with more or less difficulty, and subjected to tests that place its reliability beyond question. As a result we are now able to present comparative statistics of cost per unit of weight or measure in German and American worsted dress goods weaving mills.

While these goods vary widely in construction they are of one general class, and, since it is impossible to compare the cost for all, we will take a few typical samples. The cost of dyeing and finishing covers not only the cost of labor, but of dyestuffs, soap, etc. It is the cost of weaving that affords the best basis for comparing the cost of production in the two countries, and accordingly we select this department for the comparison.

Sample No. 2 is a voile made at Greiz. The yarn costs the German mill 89 cents a pound; it could not be bought in the United States for less than \$1.25 a pound, which is 40 per cent higher. Here is a brief but suggestive exhibit of the cost of weaving 100 yards of this fabric:

Germany	\$2.10
United States	3.50
Difference, 66⅔ per cent.	\$1.40

The cost of weaving this cloth in the United States is 66⅔ per cent higher than at Greiz. Why? Because the weekly wages are higher in the United States.

THE MACHINERY USED IN GERMANY.

These goods are made on thoroughly modern power looms which can be run as fast as American looms, and consequently produce cloth with practically as great an economy of labor. That being the case, the cost of weaving per yard must be approximately in proportion to the wages in the two countries. Here is the consul's statement of wages and living conditions in the Greiz, Reichenbach, Neumark, and Netzschkau districts:

The average wages paid to overseers range from 24 to 40 marks (\$5.71 to \$9.52) a week only in rare instances higher than this. The wages paid to operatives, on an average, are nearly 16 marks (\$3.81) a week. This latter rate was established the beginning of last year, when the average weekly payment was 13.99 marks (\$3.33). The employers say that a number of the workmen do not earn the pay they receive in relation to the work done. Operatives are striving to have a minimum of 18 marks a week established. This is being strongly opposed by most manufacturers. Before the latest increase in wages was granted, the operatives, both sexes, divided into four classes, earned as follows:

Up to 16 years of age	\$2.47 per week.
From 16 to 21 years	3.08 per week.
From 22 to 55 years	3.83 per week.
Over 55 years	3.18 per week.

There are, of course, exceptions in different places, and one finds wages in some cases as high as 18 marks (\$4.28) a week being paid, which counterbalance some wages as low as 7 marks (\$1.67) a week.

The families of the working people are rarely small, and it is not infrequent to find a man and his wife and several children subsisting on 16 marks (\$3.81) a week. From this amount rent, clothing, food, fuel, and other necessities have to be paid. In many instances, however, the wife is also a wage-earner as well as the man, and the children go to work as soon as possible. Such families usually live in a kitchen and one other room. There the family cooks, eats, and sleeps.

The consul adds that the working time in the German mills is from 7 A.M. to 7 P.M. in summer and from 7.30 A.M. to 7.30 P.M. in winter, the time allowed for rest bringing the actual working time to about 10½ hours per day, or 63 hours a week.

GERMAN AND AMERICAN WAGES.

Weavers on this class of dress goods in the United States cannot be hired for less than \$10 a week of 58 to 60 hours. Many of them earn more. In other words, wages in American mills are more than double the wages paid in the Greiz and Reichenbach districts. The cost per yard of cloth is higher in the United States because weekly wages are higher. And this undoubtedly holds good for all departments of the mill, wool sorting, scouring, carding, drawing, spinning, dressing, dyeing, and finishing.

The next sample, No. 8, made at Greiz, is a silk warp henrietta. The silk warp yarn costs \$1.70 a pound in Germany; in the

United States, \$3 a pound. The worsted filling yarn costs 78 cents a pound in Germany; in the United States, \$1.40 a pound. The comparative cost of weaving 100 yards in the two countries is as follows:

In Germany	\$3.10
In the United States	8.00
Difference, 158 per cent.	<u>\$4.90</u>

These two samples, showing the greater cost in the United States because of higher wages, are typical of the forty-four received.

In the course of our investigation of the cost of weaving this class of goods in the United States, the treasurer of one of the leading dress goods mills of the country gave us the piece work prices paid in his mills for weaving five of the forty-four fabrics. This enables us to present the following striking comparison between the wages paid the weaver alone in this American mill and the total cost of weaving the same goods in Germany, which cost includes not only the weaver's wages, but the wages of overseers, loom fixers, chain builders, drawers-in, yarn carriers, and other weave room help. The figures are for 100 yards in each case:

Sample.	Total Cost of Weaving in Germany.	Weaver's Wages only in the United States.
No. 3	\$2 69	\$5.55
No. 7	1.57	4.50
No. 37	1.57	4.50
No. 42	3 58	5.46
No. 44	2.06	6.00
Average,	<u>\$2.29</u>	<u>\$5.20</u>

That is, the wages paid the weaver alone for weaving 100 yards in the United States would pay the weaver's wages and all the fixed charges of the weave room for 227 yards in German mills.

THE CHEAP PRODUCTS OF CHEAP LABOR.

The effect of these labor conditions on selling prices in the two countries is illustrated by a worsted serge, No. 9, made as follows: Weight, 4.3 ounces per yard 42½ inches. Warp, $\frac{1}{38}$ worsted. Filling, $\frac{1}{48}$ worsted. The selling price of this cloth in Germany is 31 cents a yard. We are informed by experienced men in the American trade that 75 cents a yard would be a fair price in this country without affording the manufacturer more than a reasonable profit.

THE NEED OF PROTECTION AGAINST CHEAP FOREIGN LABOR.

What the figures so far given show, namely, the increased cost per yard due to the higher wages in America, is what any one at all familiar with the textile industry expected. We have

obtained and present the data here, not to convince the textile trade, but to meet the attack on protection to American labor. They are exposed to the scrutiny of any and every one, with confidence that they will not only stand the closest analysis, but will serve as conclusive proof of the necessity of maintaining the policy of protection to the American operative against competition with his poorly paid foreign competitor.

PRODUCTS OF CHEAP LABOR DUMPED HERE AT LESS THAN COST.

We come now to the most significant feature of the consul's report. The selling price is given for each of the forty-four samples, and in every case is accompanied by this explanatory memorandum: "*i. e.*, for export." This is shown by the accompanying illustrations¹ of two of the sample cards, Nos. 11 and 15. Let us compare the German cost with this "price for export":

No. 11.—COST PER METER.		
Yarn	M	.716
Weaving	M	.092
Dyeing and finishing	M	.097
Accommodur	M	.01
General	M	.03
Total		M .945

No. 15.—COST PER METER.		
Yarn	M	1.66
Weaving	M	.092
Dyeing and finishing	M	.075
Accommodur	M	.015
General	M	.03
Total		M 1.872

One fabric, No. 11, costs the German manufacturer .945 mark per meter, and is invoiced "for export" to the American market at .86 mark or 10 per cent less than cost.

The other, No. 15, costs 1.872 marks and is invoiced "for export" to the United States at 1.75 marks, or 7 per cent less than the low cost in Germany.

These two samples show the way in which the products of cheap German labor are dumped on the American market either at undervaluations or cut prices, and brought into competition with the products of high-priced American labor—methods of doing business that the trade agreement between Germany and the United States is designed to facilitate.

GERMAN SECRECY.

Protectionists are under obligations to the consul who made this investigation, for his success in securing the information regarding the German textile industry. The following passage

¹ See insert opposite p. 201.

from his report shows what we can all readily understand, that he had no easy task:

It is probably known to American textile manufacturers that the weaving mills in this district are practically closed to expert inspection except to the government. While showing every courtesy to inquirers, a divulgence of information which may or may not be secret is in many instances withheld. This policy is followed to avoid giving any possible aid to competitors.

The report gives much interesting information which we have omitted here because of our desire to concentrate attention on its chief features: first, the evidence that German cloth is cheap because German labor is cheap; and second, the evidence that these German goods cheapened by squeezing labor to the verge of starvation are dumped on the American market at less than the German cost.

SOME REASONS FOR HOLDING WOOL AUCTION SALES IN AMERICA.

At the last annual meeting of the National Wool Growers Association Mr. F. J. Primrose, of Philadelphia, read the annexed paper, entitled "Some Reasons for Holding Wool Auction Sales in America." Inasmuch as announcement has been made that wool warehouses are to be erected in Omaha for the storing of the wool forwarded for sale, and an organization, under the style of the "Wool Auction Sales of America," appears to have been launched, and for the further reason that the movement for sales has been endorsed by the National Wool Growers Association, we publish the address of Mr. Primrose to show in the future how and when the movement got its impetus. We are of opinion that many great difficulties will have to be overcome before the sales become the success Mr. Primrose seems to think can be won by coöperation. Conditions in the United States are so essentially different from those prevailing in other wool-producing and wool-manufacturing countries that, because the sales have proven successful there, it does not follow that a similar system will be equally successful here. We do not agree, in the least, with the conclusion of Mr. Primrose's address—that if the organization of the sales should be started "it will prove to be such a power before a great while that instead of London regulating the world's prices for wool, they will be fixed and controlled right here in America, by you, the producers." All of which is very fanciful and altogether improbable. We

should like to learn how it will be possible for the comparatively small quantity of wool produced in this country — small compared with the total production of the world or of Australasia and South America — is to govern and regulate the world's prices, especially when no domestic wool finds its way into the world's markets. It might have been a discreet thing to bring his address to a conclusion calculated to appeal to the imagination and to arouse the sympathy of his audience, but deep "down in his boots" we doubt if Mr. Primrose really thinks his prediction will come to pass in this generation or even two, if ever. But the movement for auction sales in this country has been endorsed officially by the representative organization of the wool growers, and we are pleased to give adequate space for the discussion of the question.

In a pamphlet prepared by Mr. Primrose, in which opinions approving the undertaking are given, the American Woolen Company is quoted as authority for the following:

On the face of it, it would seem as if we ought to do anything in this country that they do anywhere in the world.

But Mr. William M. Wood, President of the company, has felt constrained to disavow the quotation, because the words — only a part of a sentence, and removed from their context — give a wholly false impression of his own and the company's opinion in regard to the auctions. Mr. Wood says that in his letter he explicitly stated he felt skeptical as to the success of the sales because, among other reasons, the scheme had been tried twice before in this country and had failed each time.

In his address Mr. Primrose said :

One day last summer a western wool grower, one of my clients, and prominent in his particular section, said to me, in my Philadelphia office: "Primrose, why can't we wool growers sell our wool here in the United States by auction — in the same manner as the London wool sales are conducted?" My reply was: "So you can, if you wool growers will get together and stand together, but in no other manner." He said: "I think they will do that if they can only feel that they are getting a 'square deal,' that they are getting true value for their wool at the time it is sold; that they are not being charged more than a legitimate profit for its disposition." He said further: "If we send our lambs or sheep to Kansas City or St. Joseph or Chicago or Omaha for sale, we know that we are getting the value of that

particular day. We may be wrong in our selection of the day to sell, but that is a misfortune, not a fault. In any event, we get our cash at once without any drawback. Why can't we market our wool in the same way, or in some manner so that we can know (just as surely as if we were selling sheep) that we are getting full value on the particular day the wool is sold?" It is my firm belief, gentlemen, that you can, if you will it to be so; and that it can be done without the slightest risk of any kind, if you combine, but not individually.

My wool-growing friend and myself had several talks on this subject, and I told him when he left Philadelphia that I would put the thought before a few of the representatives of the wool trade, to see what they had to say about the general idea. In October last, therefore, I put squarely before a number of our largest and richest manufacturers, and also a number of the prominent wool growers of the West and some of the western dealers, this question, "What is your opinion of the advisability of attempting to inaugurate a series of 'wool auction sales' here in America, to be patterned after the London sales?"

The replies received indicated a surprising interest. Thirty of the mill corporations heard from have an aggregate capital of seventy to seventy-five millions of dollars and employ more than forty thousand people. I have, I think, a right to conclude that this is a most stupendous, a most important, undertaking and one that will require the best thought that your best men can give it. I have these letters with me and will be glad to show them to a committee, if one is appointed.

These are only a few expressions from successful manufacturers — firms who buy the wool, spin the wool into yarn, and weave the yarn into cloth. Their opinions are significant and valuable in an endeavor to start right. If I based my own conclusion on these letters alone, it would have become my positive conviction that the adoption of this plan of selling will correct many of the disadvantages that have always been associated with the disposal of your product.

At the request of your secretary, Mr. Walker, I have agreed to present the facts before you as I view them.

It is estimated that the United States produce about three hundred millions of pounds of wool annually. I have been informed that this, the National Wool Growers Association, has upon its lists the names of 7411 members, with residences in Montana, Wyoming, Nevada, California, Utah, Colorado, Arizona, New Mexico, Texas, Ohio, and Michigan, and that the probable annual production of wool controlled by you will amount to one hundred and seventy-five millions of pounds — or at least twenty-five millions of pounds more than one-half of the entire wool clip of this whole country. At even twenty cents per pound, this represents thirty-five millions of dollars — a vast amount of money, gentlemen, an amount sufficient to frame an organization

that would rank with any in the world for power and influence. I also feel quite sure that your Association is made up of just as big and brainy men as can be found, and brains are needed to perfect the plan I will suggest.

By this method, you can know without a doubt the true value of your wool, the name of the firm who buys it, and, above all, you will get your cash. It will require on your part active coöperation and your selection of good men from your own numbers to officer the organization and to take care of your property; or, in other words, the wool will practically remain in your own possession until the cash is paid to you. You don't want figure-heads for these positions, but active workers for your combined interests.

In London most of the wools that are sold by auction come there from all parts of Australia, New Zealand, Montevideo, River Plate Country, Tasmania, Falkland Islands, and other points. The wools that are shipped from these points to be sold at auction are sent by the owners (the growers), either with or without price limit, to their particular broker. When the shipment arrives in London, if price is to be limited, the broker places his idea of value on the wool. This is submitted to the owner. If the valuation is satisfactory to the owner, the wool is placed on sale during the next auction. If this valuation is not reached, the lot is withdrawn from sale immediately, and is then carried over to the next "Sale's period," unless it is sold privately in the meantime.

London holds these wool auction sales six times each year, the dates being January, March, May, July, September, and November. Each sale lasts about fourteen days. Each day there will be an average of about twelve thousand bales disposed of; the bales average in weight about three hundred and fifty to four hundred pounds each, or say, four to five millions of pounds each day of the sale, and this amount of wool begins to sell promptly at four o'clock in the afternoon and everything is disposed of before or by, and not later, than six o'clock (with the exception of the small lots—less than five bales—and these are sold in the evening by the clerks). There is no hesitation about the bidding on the part of the buyers; there is no waiting; there is no possibility of chicanery or dishonest practice. It is all open and above board; the sales represent the true value. Holders are sometimes disappointed because their judgment as to the time of sale was wrong, but never because of any thought in their minds that they have not been treated fairly and squarely. All of the wools that are sold at London sales must be taken from the warehouse within fourteen days from date of sale and must be paid for in cash within that period—and upon receipt of the invoice and weigh-master's certificate of weights. The stock does not go out of the possession of the warehouse company until it is paid for. Every opportunity is given the buyers

to examine the wool, plenty of light, plenty of space, and plenty of time. Catalogues are printed that give the particulars of the sales, so that the buyers may be ready with their bids at four o'clock in the afternoon and after their examination of the different lots. The attendance is always large and representatives from all parts of the manufacturing world are present.

One of the reasons for the great success that has always attended the London sales is the fact that the wool growers put up their wools in such fashion that the buyer can tell, from year to year, just what he is getting, barring, of course, the difference in the condition of the wool caused by climatic changes. I will touch upon this point again.

I went to London in 1905 and attended some of these sales, so as to become familiar with the method, and brought with me some of their printed catalogues, which I shall be very glad to show to any of you gentlemen if you care to see them. So much for the London method. I think you can improve on it, but it requires your close and binding coöperation.

I now want to call your attention to this fact: "Some ten or twelve years ago, an individual firm started or attempted to start what they called 'Auction Sales' in New York City. They secured what wools they could on consignment or by purchase, and, by advertising, they found, when the first sales-day arrived, several hundred men present — men who were there for business and who represented the wealth of the wool trade, merchants as well as manufacturers, men who were glad and willing to lend their aid to the establishment of a legitimate method of trading, for the common good. What was the result? It was an absolute and entire failure and fizzle. Why? Because the firm which started it conceived the thought that they could (by reason of the presence of such a number of buyers) compel them to pay their prices (no matter whether it meant value or not) and had their stool-pigeons in the audience making false bids — with the result that the wool (or most of it) was left on their hands, and there was no sale the next day, or at any time thereafter. True value can always be obtained, but straight, honest methods must be pursued. These men afterwards faced the courts of justice on criminal charges and with sufficient reason. Their actions were never meant to benefit anybody but themselves. Some of you gentlemen may remember the firm. I mention the incident because I find a recollection of it still lingers in the minds of some, but that very experience, that first day's attendance, proved then, as it will prove again, that all users of wool are interested in 'auction sales' if they can feel that they will get a square honest deal."

A number of the letters received from manufacturers mention the importance of the grading and the putting up of the wools. As this is one of the essential points for you to consider, I will speak of it now. It seems to me, if you have mixed herds, that

there is no good reason why, when you come to shear them, you should not be able to pack, for instance, your Oxfords by themselves or your Southdowns or your Cotswolds or your Merinos, without any great difficulty, and also mark the bags separately. This surely would not require a very great deal of extra work, if any at all. Of course, if your herds run even in quality, then it would only be necessary for you to pack your ewe fleeces, your wether fleeces, and your lamb fleeces separately. Keep your buck wool by itself and your tags — and your black — pack your corral sweepings and pieces (that drop from the packing frames) by themselves. No matter if you do receive less per pound for this off-wool, it will help you to get full value for your main clip, whoever buys it. This advice is good advice whether or not we accomplish an organization to inaugurate auction sales. Put your own brand on your bags, so that every prospective buyer may know that you are not ashamed of the manner in which your wool is prepared for the market. Those of you who have followed this plan know of its benefit.

OUTLINE OF GENERAL PLAN.

Now let us try to figure out how these wool auction sales can be conducted in America, so that they will surely prove to be of signal advantage not alone to you wool growers, but to the manufacturers and the entire wool trade of the country. Individually you are powerless to control or influence custom, trade or prices, but collectively, your power would be almost unlimited and, to my mind, it is only necessary for you to follow out the suggestions that I will now make.

1st. Not much, but some money will be required. In order to give the venture a financial standing, I would deem it wise that each of you who joins in the movement should pay a membership fee — say \$100. If the responses be sufficiently numerous, the fund created in this manner should pay all the preliminary expenses and leave a considerable balance with your Treasurer for a working capital.

2d. It will also require that each of you shall pledge yourself to send your wool to the one central point that may be selected, and that this pledge or promise shall be so binding that it can be absolutely depended upon by your officers.

3d. Select your officers, President, Vice-president, Secretary, Treasurer, and Board of Governors, or Directors, from among your own numbers. Let these men direct the business of the Association and let them handle the financial end of it.

4th. Select also a good practical wool man as your manager, one who knows wool and knows values. so that, at any time, you may learn from him (as your servant) about what your wool is worth and what it can be sold at for cash.

5th. Let the Association charge each grower who sends his wool for sale a selling commission (say one cent per pound),

whether or not he is a member. There will be a number not members who will send their wool to the Association for sale by auction and the amount received from all should go into a common fund and should be returnable to the members of the Association, at the end of each year, proportionate to the amount of the member's interest as shown by the amount of pounds he shipped. This is a simple task of bookkeeping, but it gives you the profits and no one else, and brings you, the producer, into direct contact with the manufacturer.

I also want to call your attention to the fact that with this organization formed you can sell your sheep-pelts in the same manner. You can regulate tare, also the price to be paid for your wool sacks—they have a value. You can secure supplies needed, twine, wool-sacks, etc., to your greater saving and advantage. You can also effectively maintain your well-merited recognition in tariff legislation, and wield a far-reaching influence.

6th. The right place for the holding of the sales is vital. The city that will attract the most buyers, the city where freight rates are not increased (by extra hauling) is, of necessity, the location to be selected. I would suggest Boston, Philadelphia, or New York; my own opinion is strongly in favor of the latter city, because, according to Dockham's Textile Directory, there are about eleven hundred and fifty mills in the United States that use wool. Only fifty-four of them are located west of the Mississippi River, ten hundred and ninety-six of them are located east of the Mississippi; eight hundred and sixty-one of them are located within a half hour to ten hours' ride of the City of New York and eighty-eight of the leading mills have offices there. There are also located in Boston, New York, and Philadelphia two hundred and two wool dealers and commission firms.

In determining a location, your committee will also have to keep in mind the fact that some of you men will want cash advances on your wool. This will have to be cared for, freights will have to be paid, storage facilities will have to be provided, and all of these matters, together with other incidents that are bound to arise, must be well considered.

You have your sales, in season, at Billings, and at Great Falls, and at Rawlins, and at Phoenix, and at other points. and you know that the buyers who attend those sales range in number up to perhaps twenty odd; they are all good, splendid fellows, and represent good strong houses, but, if you will make a mental calculation from the figures given above, you will find that there are more than thirteen hundred manufacturers, dealers, and commission men who never have an opportunity to examine your wool until after it gets out of your possession, nor can you hope to have them do so unless you send it to some convenient central point for their examination. As I said before, establish your brand and maintain the individuality of your clip.

Let it be sold alone on its own merit and do not let it be used to help the sale of some inferior clip. This often happens as the trade is now conducted.

At present, the only methods that I know of that you have for the disposition of your wool are to sell it at home, either on sealed bids or by private sale, or by shipping it on consignment to an eastern commission house, or send it to an eastern broker for sale. By any of these methods (except perhaps the latter) the identity of your wool is lost after it goes out of your possession; at least that is so in the great majority of cases.

Gentlemen, you have listened patiently, and I thank you, but mere words are valueless unless they stimulate to action, and action is needed now if at all, not next month or next year, but now. We are, none of us, growing younger, and if the plan is a good one (as I firmly believe), the time to start it is at once, so that you can prepare to have your first sales in June or July next, and all can then begin to reap the benefit.

In conclusion, gentlemen, let me say that if you favor the plan, if you start this suggested organization, I prophesy that it will prove to be such a power, before a great while, that, instead of London regulating the world's prices for wool, they will be fixed and controlled right here in America, by you, the producers.

IN THE LAND OF THE SHEEP BARONS.

By the courtesy of the editor of the "American Review of Reviews," we are permitted to reprint the annexed article, entitled "In the Land of the Sheep Barons," and written by Mr. Arthur Chapman, which appeared in the March number of that magazine. While there are few points in it on the western sheep business that have not been stated in one way or another in this publication, still we consider it of sufficient interest and importance to give it space in our pages as a contribution to the history of the industry. Mr. Chapman writes:

The cattle barons of the West, who once held undisputed sway over the great public domain, have been displaced, in the last few years, by new lords of wealth and power — the sheepmen.

Travel over the Pecos country in New Mexico, where John Chisum ruled like a lord of old, and where his baronial retainers fought desperate battles with the retainers of rival cattle barons, and what will you find but sheep, and more sheep? To be sure, there are plenty of cattle left in the country, but they are split up in tiny herds among the small ranchers, while most of the unfenced range is grazed over by great flocks of sheep, of all grades and values, in charge of Mexican herders in all states of

somnolency. In Montana, Wyoming, and Colorado, where the dust of the cattle-trails once clouded the blue skies, the old highways of the steer are grass-covered, and,—the mockery of it!—are fed over by dusty-backed herds whose eternal “ba-a-a” brings a curl of contempt to the lips of the cowman. Where the cowboys once faced the storms of the prairie, in their yellow slickers, the sheep-herder now crawls into his canvas-covered sheep wagon, where he lives in comfort through the hardest “norther,” and in summer, even to the grassy slopes of the Rocky Mountains, above timber line, one will come upon sheep camps.

THE SHEEP INTEREST COMING TO ITS OWN.

The metamorphosis of the stock industry in the West, though it is perfectly natural in the course of events, has not been accomplished without discomfort and loss of life. For twenty years the sheepman has fought for every foot of ground he has gained in the West. He has fought pitched battles with cowmen and ranchers, and has seen his sheep slaughtered by tens of thousands, and his herders killed or driven in ignominy from the disputed territory. But always the sheep owner has come back across the “dead line,” until finally his enemy has yielded place. To-day the sheepman is the stronger instead of the weaker party. A few months ago, when there was a raid on a sheep camp in northern Wyoming, the sheepmen offered a large reward for the capture of those who had slain the sheep and burned the sheep wagons. Furthermore, they armed their herders, and, in some instances where danger seemed most threatening, stationed guards about the flocks and announced that any cattle interests that sought a fight would be accommodated. Such boldness would have been unthought of ten years ago, and the case simply shows how the sheepmen have grown in power until practically they are the dictators, instead of submitting to the dictation of others.

The sheepman has had many prejudices to overcome. Chief of these has been the theory that sheep destroy a range, trampling out the roots of grass and rendering a feeding ground valueless when once they have passed over it. The folly of this statement has been demonstrated in the West, where the same grazing grounds have been used by millions of sheep for years, and are as good to-day as when the sheep first went on them.

DECREASE IN THE PAST FIVE YEARS.

A few figures will best emphasize the growth and importance of the sheep industry in the United States. In 1878, according to figures furnished by the Department of Agriculture, there were 35,740,500 sheep in the United States, and on January 1, 1907, there were 53,240,000 sheep. On January 1, 1903, there were 63,964,876 sheep in the country. The decrease from 1903 to

1907 is due to the extraordinary demand for mutton and lamb, leading to the selling and slaughter of a large portion of the total number of sheep. Stockyards reports from Chicago, Omaha, St. Joseph, Kansas City, and Denver in the last few years show a tremendous increase in sheep shipped for slaughter, and still the supply has hardly kept pace with the demand. It is safe to say that the total number of sheep on January 1, 1908, was about 1,000,000 less than the figures of January 1, 1907. There has been a heavy decrease in Montana and Idaho, and an increase in Wyoming. In fact, Wyoming has passed Montana, and is now the foremost sheep State in the Union.

The heavy demand for mutton and lambs has kept down the wool production since 1902. In that year the total number of pounds of wool clipped in the United States was 324,107,462. In 1907 the total clip was 298,294,750, valued at \$78,263,165.

FATTENING SHEEP FOR MARKET.

It is estimated that a flockmaster's wool clip will pay the yearly expenses of caring for his sheep, with some profit left over. Thus his sale of mutton and lambs represents clear gain. Of late years a third figure has entered the business,—the sheep feeder. The sheep feeder buys mutton and lambs in the fall, and ships them to some convenient point to be fed through the winter. His profits are in the increased prices he gets for the sheep in the Chicago market. The greatest sheep-feeding ground is in the vicinity of Fort Collins and Greeley, Col., a few miles north of Denver. This is the richest agricultural community in the world, producing the highest quality of sugar beets, potatoes, and other farm products. Sugar-beet pulp and alfalfa are fed to the sheep, which fatten rapidly on this diet, and which command top prices when shipped to market. Tens of thousands of sheep are fed in Colorado every winter, and sometimes the profits of the sheep feeders are phenomenal, sheep that are bought for \$5 on the range being sold for \$8 after three months of feeding at the pens.

SUMMER FEEDING ABOVE THE TIMBER LINE.

The range question is the greatest problem that confronts the sheep owner, though it is hardly so vexing as it appears in the eyes of the cattle owner, because sheep feed closer than cattle and consequently require less grazing ground. The sheep owners usually have two ranges for their flocks,—a winter range and a summer range. The winter range is usually on the high plateau country adjacent to the Rocky Mountains. There the snows melt fast and do not drift, and the sheep can feed all winter on the bunch grass and sagebrush. In summer the flocks are trailed to the mountains, or are shipped to the summer range by freight, provided the grazing ground can be reached by railroad. Here

for three months the sheep feed under ideal conditions. Generally they are taken well above timber line, for the reason that the grasses on the summits of the great mountains are extraordinarily thick and nutritious. To the ordinary observer the mountain peaks are bare, but in reality they are thickly carpeted with grass. It is on this heavy, delicious feed that mountain sheep thrive so well,—and the sheepman has not been long in finding out that his flocks will do just as well as the mountain sheep above timber line. At Tennessee Pass, near Leadville, Col., from 40,000 to 50,000 sheep are fed every summer, being shipped to this high point by rail. Here are dozens of sheep camps scattered about, far above timber line, where, in the language of the herders, it rains every day and snows every other day. When September comes the sheep are traileed to the railroad and shipped down to the winter range on the plains, where the grasses will be found in prime condition. The writer has passed over one of the greatest winter ranges in Wyoming in June, and has traveled full sixty miles from the Union Pacific Railroad to the Colorado State line, without seeing any living thing other than an antelope and a coyote. Yet by September this range will be alive with sheep, it being estimated that no less than 1,000,000 are fed on this ideal winter range which is so lonely in summer. The Sierra Madre Mountains, whose tops can just be descried above the plains line, near Rawlins, are filled with sheep every summer, and, in turn, are deserted when the snows begin to drift in winter.

THE HERDER'S LIFE AND DUTIES.

Naturally the central figure in the sheep business is the herder. He is the man upon whom the owner depends for the safety of an average flock of from 2000 to 2500 sheep, which may be worth from \$10,000 to \$30,000. It has been the custom to look upon the sheep herder as a man who takes up this employment because he is "locoed" or because he cannot do anything else. Nothing could be further from the truth. No sheep-owner could put so much responsibility on the shoulders of an incompetent or irresponsible man. The herders are selected from the best material the labor market has to offer, and are paid from \$50 to \$75 a month and board. The herder is furnished with everything he needs, and there is no limit to the quantity or quality of his fare. He is given *carte blanche* to order what the market affords, and the "camp tender," who comes with supplies once or twice a week, sees that the order is promptly filled. The sheep wagon, in which the herder lives in winter, is a veritable house on wheels. It is a canvas-covered wagon, containing cookstove, bunk, cupboard, and, in short, everything that can make life bearable for the herder. In one of these wagons a man can remain comfortable while a "norther" rages

without. In summer, while in the mountains, he lives in a tent, but this is all a man requires among such ideal natural surroundings.

In the spring, at lambing time, is the herder's season of responsibility. It is then that a May snowstorm will wipe out the year's crop of lambs, if the flock is caught in a bad place, and it is then that the band must be closely guarded against the dangers from coyotes and wolves. Care must always be exercised in changing feeding ground, lest the sheep get among poison weeds and die. Countless sheep have been lost in this manner, the herder being unaware of any danger until the poisoned animals began to drop by the score.

On the plains rattlesnakes spice the herder's life with danger, and he must be always on his guard against this enemy. In some localities, where the snakes are numerous, a rattlesnake a day will be killed throughout the summer, and generally the herder has to use caution in making his bed on the plains lest he awake to find a rattler as a bedfellow.

The herders sing a song descriptive of their troubles. There are many verses of it, but these will suffice, though to get their full effect one should hear them chanted by a shepherd in some lonely camp:

O, a man that herds the sheep has got lots of cause to weep,—
 He'd better join the army and get fat;
 For with sheep you do get lazy, though their mind is never aisy,
 And at length they'll drive you crazy with their blat.

You take it in the spring, when the lambing doth begin,
 You walk until your feet are always sore,
 For they're lambing here and there and they're lambing everywhere,
 And the ewes blat and the lambs keep up a roar.

When the grass gets short below to the mountains we do go;
 The ewes start off like greyhounds, pit-a-pat;
 They can beat the fleetest deer or any Texas steer,
 While you travel to the music of their blat.

Every year adds to the tragedies of the sheep range, for in winter the herder is always in danger of being caught in a storm that will not only destroy the flock but himself as well. The storms that sweep down from the north on the great plains sometimes come with scant warning. A herder may be less than a mile from his wagon, and yet will be hopelessly lost in the whirling flakes. It is the same danger that used to face the cowboy on the range, and now the herder is called upon to risk his life. Electrical storms, also, mean danger, and many herders are struck by lightning and their flocks left at the mercy of the elements or the coyotes.

THE VALUE OF DOGS.

It is only natural that the sheep herder should place a vast amount of reliance on his dog. Without the sheep dog it would be impossible to handle the great flocks that graze over the plains and mountains of the West. Usually the dog is a collie,—perhaps tracing his ancestry to “Bob, Son of Battle.” The dogs are owned by the sheep outfits, and some of them command fabulous prices.

“Why, they think more of their dogs than they do of their men,” said a herder to the writer. “The man who owns our outfit has made a big fortune out of the sheep game and spends most of his time in Europe. But he makes it a practice to visit all his sheep camps once a year. Last time he called at my camp he spoke to the dog before he spoke to me. That shows you how much they think of the dogs.”

The dogs are always busy, for in feeding the sheep almost invariably scatter to some extent. The wise herder will not let any strays wander into gulches or arroyos, because there may be a coyote lurking there, ready to run off the animal. The dog is always on the alert, and when the flock scatters too much will soon be at the heels of the farthest sheep, barking and snapping and driving them to the main bunch. In the mountain sheep camps the dog's work is exhausting, as it is hard for him to make his way across the steep slopes and jump over the fallen timber. On the plains the dog is likely to get sore-footed, because of the great amount of cactus through which he must run. Some of the most successful herders in northern Wyoming use a dog that is part wolf and part collie. The wolf strain is said to give the animals tougher feet, as well as hardier constitutions.

The intelligence of the average sheep dog has not been over-rated, and the animals seem to realize instinctively what is to be done, and require few orders from the herders. In one sheep camp visited by the writer, there was a small patch of grass reserved for the saddle pony of the camp tender. The dog knew when the sheep approached that sacred grass and would not allow one of the woolly animals to set foot upon it.

PERILS IN THE BUSINESS.

Patience and good-nature must be the chief equipments of the sheep herder. A surly or impatient herder would soon play havoc with a valuable flock. The successful herder is tireless, vigilant, devoted, even tempered, and, when occasion demands, heroic. His first thought is always of his sheep and his last thought of himself. That is why one seldom hears of a western herder abandoning his flock in a storm and setting out to save himself. Generally, when the sheep perish, the herder perishes

too, and only the dog remains, howling over the dead bodies, to tell of the gruesome and all too common chapter of prairie life.

When disaster descends on a sheep flock it is usually sudden and complete. Storms are not the only things for the herder to guard against. General Manuel Gonzales, a Mexican sheep-owner, sustained a loss of \$50,000 in a few minutes when 3000 sheep and 400 cattle on his hacienda near Tampico were driven by prairie fires into trenches that had been dug to prevent their theft.

In the summer camps, especially below timber line, there is always danger that the sheep will kill themselves trying to leap over fallen timber. Let the lead sheep fall in making the jump over a log, and soon there will be many sheep piled on top of him, and perhaps fifty or one hundred will be smothered or have their necks broken before the herder can arrive.

GUARDING AGAINST POISON AND DISEASE.

The herder must exercise constant vigilance in the matter of feed. He must be able to distinguish the poison weeds. The sheep may have thrived on a certain tract of prairie, but let them wander into a "poison gulch," where the deadly weeds grow, and they will drop dead by the score.

Contagion often appears in the form of scabies, and to prevent this dread disease the Government has established dipping stations at various places on the range. Here every sheepman must bring his flocks at certain times of the year and have them "dipped," which process consists in making each sheep swim through a vat containing a vile mixture of tobacco, sulphur, and lime. Scabies is caused by a parasite which gets under the skin and causes the wool to drop, and eventually weakens the sheep until the animal dies. Thanks to the vigilance of the Government and the various sheep States, the disease has been practically eradicated.

SHEARING BY MACHINERY.

Sheep-shearing time brings to the fore another interesting class of men, — the shearers. These men begin their work in the south, where the shearing is early, and work north through the season, finishing their work in Montana and Canada. The shearing is done by contract, in pens that are equipped with costly machinery. Formerly sheep were clipped by shears, but the modern shearing knife, run by steam or electricity, is used nearly altogether to-day. The machine is not much faster than the old-fashioned shears, but it does the work in much more cleanly fashion, and leaves less wool on the sheep. The saving of from a quarter to half a pound of wool on each sheep amounts to a great deal of money when so many millions of sheep are sheared in a season.

The shearing is done early in the summer. The herders bring up their bands of sheep and run the animals into pens. The shearers in the pens grasp the animals and soon the keen knives are cutting through the wool. The fleece comes off almost in a single garment, so neatly do the skilled shearers work. Despite the exhausting nature of the work, the men standing all day in a stooping posture, some astounding records are made. One shearer, Frank Hewitt, of Saratoga, Wyo., who is credited with being the champion shearer of the United States, won a medal at the Chicago Exposition, in competition with nineteen other shearers, by shearing 100 sheep in three hours and twenty-seven minutes. It is said that this shearer turns out an average of 175 sheep a day throughout a shearing season. With a dozen men shearing sheep with such rapidity, it is no wonder that the wool is soon stacked high in sacks at the sheds, ready for shipment. About 100 sheep a day may be accepted as the general average for a shearer. The operators get 8 cents per fleece, so it is seen that their pay is relatively high, though it is none too much when one considers the exhausting nature of the work and the shortness of the shearing season.

MARKETING THE SEASON'S CLIP.

After the wool has been clipped it is gathered up from the shearing-pen floor and put into sacks. Each sack contains about 500 pounds, and these sacks are shipped to the nearest wool center. Billings, Mont., is the greatest wool shipping center in the world. From the plains about Billings a constant stream of wool pours into the warehouses. The sacks of wool are sometimes brought hundreds of miles across the prairie, piled high on great freight wagons and drawn by six, eight, and even sixteen-horse teams. The sacks are piled in the warehouses at Billings, and then come the commission men, from the Boston wool houses, who appoint sales days. Different sacks are opened for inspection, and the buyers write out their offers for various lots. The highest bidders get the clip. If two or three have bid the same, the sale is determined by the flipping of a coin. After it is sold, the wool is put into powerful baling machines and baled for shipment east, where it is scoured and finds its way through various channels of commerce into the clothing of the people.

Tremendous fortunes are being made in the West in the sheep business. Most of the men who have made fortunes have started as sheep herders and have put their savings into small flocks of their own. Probably the largest individual sheep owner in the world, who made a small beginning not many years ago, is Charles M. Bair, of Billings, Mont. Mr. Bair, besides owning a vast amount of sheep range in Montana, leases a large portion of the Crow Indian reservation for grazing purposes. This year the Bair wool clip amounted to 1,500,000 pounds. At 22 cents

this would net the owner about \$330,000. Yet this probably represents less than half of Mr. Bair's income for the year, as his sales of mutton and lambs were large.

The Government has turned its attention to breeding the most suitable sheep for western range conditions, and an experiment station has been established at Laramie, Wyo., where the development of the ideal sheep is being carried out. It is the aim to produce a sheep that is at once hardy and active, a great wool producer, and first-class for market purposes. When this result has been obtained, America will have to depend on no other country for a portion of its wool, as it does to-day. With its great variety of climatic and other favoring conditions, with its freedom from drouths, abundance of vegetation, and convenient transportation, the United States can hardly help becoming first, instead of third, among the sheep-breeding nations of the world, and that very shortly.

SECRETARY WILSON ON NATIONAL FORESTS AND GRAZING.

ALONG with criticisms of the management of forest reserves, and the great power sought to be placed in the hands of one man by extending his jurisdiction over the open range, we herewith publish what the Hon. James Wilson, Secretary of Agriculture, says, in his annual report for 1907, concerning the forest reserves, grazing, the conservation of the timber supply, and investigations made for the purpose of discovering new uses for certain forest products. The Secretary wrote as follows:

The business efficiency of the forest service organization was put to an extraordinary test by the work of the year. Great credit is due the members of its administrative force for the energy, patience, and good sense with which they assumed greatly increased responsibilities and discharged trying duties. The increased volume of national forest business imposed a severe strain upon the machinery of organization and the personnel. Special mention should be made of the work of the forest rangers, the rank and file, who form, so to speak, the firing line of the service. Their pay is low — too low for the requirements placed upon them — their responsibility great, and their life one which makes necessary self-reliance, initiative, and good judgment. The conspicuous success which the forest service has achieved in making the forests useful to the people of the West is due in no small measure to the fidelity of these true public servants, performed as a part of the day's work and without thought of other reward than their own consciousness of duty

well discharged. I am glad to acknowledge the indebtedness of the Department to these men.

IMPROVEMENT WORK ON NATIONAL FORESTS.

The special fund of \$500,000 appropriated by Congress for permanent improvements on the national forests is being well spent. Before this fund was made available the forest service was compelled to draw upon the sums at its disposal for the payment of current expenses, to provide whatever was spent in betterment of the forests. Such expenditures were virtually reinvestments of a part of the income yielded by the forests. Rangers' quarters, fences, fire lines, bridges, roads, trails, and telephone lines facilitate the transaction of business, the use of the forests, the convenience of the public, and the protection and development of the property. The forests were not created to be kept as wildernesses. They must be opened both to use and to habitation. In time they will increasingly be places for homes, industries, villages, and towns. The more they are made traversable and habitable the greater will be the development of their wealth-producing power. This work of development is as yet hardly well begun, for the size and capital value of the forests open a field of vast possibilities. That improvements do actually bring increased use the results of those already made leave no doubt. Provision should be immediately made for carrying on this work.

GRAZING.

Two years of trial have amply demonstrated the wisdom of the present method of range control. Since it is an essential part of that method that where the grazing privilege is sought for more stock than can be safely admitted some must be shut out, there is necessarily a certain amount of dissatisfaction among those to whom permits for a part or all of their stock are refused. Such dissatisfaction cannot be allowed to weigh against what is manifestly the best interest of the community and the grazing industry itself. The only alternative, other than the old and ruinous one of permitting the range to be scrambled for by all alike, would be to grant the privilege to those willing to pay most for it. This would be a grave mistake. It is not in the public interest that the small owner who has established a home near the forest should be crowded out by the big man, nor that those who have identified themselves with a locality should have to give way before the transient herd. The forests serve their best purpose by promoting settlement and development. The evils of former conditions, with their rivalries, their injustices, and their wastefulness through overcrowding, are fresh in the minds of all. The purely selfish outcry of those who think themselves strong enough to look out for their own interests,

and therefore object to a system which begins by asking who has the best right, is to be expected and must be disregarded.

That the system works well for the stock is attested by the excellent weight and condition which has been attained on the forest range. No longer hustled from one place to another in hasty competition for feed, they are now brought to the end of the summer in better flesh and with fewer losses than formerly. In short, regulation of the grazing is proving beneficial to the range, to the owner of stock, and to the community. It is turning forage into money to better advantage than could be secured under any other system. Through the recognition given to associations of stockmen those who use the range have a voice in its management, while control by the Government prevents favoritism and insures even-handed justice to all.

The number of stock-grazing permits issued during the year approached 24,000, as against less than 17,000 the previous year, and the receipts were over \$850,000, as against \$515,000. This increase was mainly the result of additions to the number and area of forests under administration, but to some extent also the result of improved range condition brought about by grazing control. No charge was made for grazing upon forests proclaimed after March 1. Another year will beyond a doubt show further increase. The growing volume of business is another illustration of the greater use of the forests. To handle it has severely taxed the present field force. The greater the number of stock on the forests the heavier are the demands laid upon the rangers, one of whose duties it is to enforce the grazing regulations. A substantial increase in the administrative force of the forests will be needed to handle the grazing business of another season.

Of 183 cases of grazing trespass, 165 were settled by the payment of damages. Action for criminal trespass was brought against five trespassers. The constitutionality of punishment for criminal trespass still awaits final determination through decision by the Supreme Court of the United States, but two additional decisions of inferior courts have during the year affirmed the criminal liability of violators of the regulations prescribed by the Secretary of Agriculture. The civil liability of trespassers has never been questioned.

SILVICULTURE.

The practice of forestry begins with the cutting of timber; the principal tools used in cultivating a forest are the saw and axe. Preparation of the ground for a future crop is accomplished by felling the mature growth, and control of the character of the future forest is through decision as to what tree shall be removed and what left standing, unless renewal is to be brought about solely through planting. It is, then, through timber sales that forest management is being introduced upon the national forests.

Receipts from the sale of timber from the forests increased three-fold over those of the year before, and brought in \$600,000. But a better gauge of the rate at which the demand of the public for timber is increasing is the contracts made by purchasers. When large bodies of mature timber are so situated that they can be utilized only by a purchaser who can undertake operations on a large scale, sales are made under contracts permitting the work to be continued through several successive years, a specified amount being cut each year. No contracts are made for a longer period than five years. In other words, sufficient time is given to enable a large operation to be carried through, but speculative purchasers are not allowed. The sales contracted for during the year totaled 950,000,000 board feet of lumber, besides cordwood and other material, with an aggregate value for all classes of material of over \$2,500,000, as against \$500,000 sold the previous year.

It is evident that if the demand for timber continues no greater and prices go no higher than at present the Government will in five years be taking in from timber sales at least \$2,500,000 annually, since payments will then be coming in on contracts entered into each intervening year. But the demand is certain to increase up to the full amount which the forests can supply. Eventually it will be necessary to impose a limit to the cut, which must never exceed the rate of growth. Anything beyond this is overcutting. The farmer who fails to make one grain crop last over until the next one matures can usually buy from others, but for many communities dependent on national forests for their supplies of wood no outside sources of supply are likely to be available. Data are now being gathered from which to compute the present stand and the rate of growth on the different forests, in order that excessive cutting may be prevented.

To become productive, however, a forest must begin to be cut over. No wood is making in a mature forest. Such a forest is simply a storehouse of wood. But after young growth gets under way the forest becomes a manufactory of wood. So far as is consistent with a proper regard for the needs of the future, all mature timber on national forests is available for use. Waste in utilization of timber cut is not permitted; slash is piled and, if necessary, burned to lessen the fire risk; unnecessary destruction of young growth is prevented; and measures are taken to insure reproduction from self-sown seed.

The work of marking and scaling timber, enforcing contract stipulations, and other matters incidental to the sales, combined with the demands made by the free-use applications, called for the most strenuous efforts on the part of the administrative force, and often compelled the neglect of other duties.

In addition to the work on the national forests, forest studies were carried on in coöperation with the States of California, Delaware, Kentucky, and Missouri, and assistance was given to pri-

vate owners of woodland concerning the management of their tracts.

FOREST PRODUCTS.

Hand in hand with the work which seeks to enlarge our future supplies of timber goes that which seeks to secure the best and most economical use of what we have. Important results have marked the work of the year in this line. The studies of the forest service in the field of wood preservation have now reached a point at which it may be predicted with some confidence that the treatment of timber for use under conditions which expose it to rapid decay will soon become widespread. This will mean a marked reduction in the drain upon our forests.

An easy and inexpensive method of treating fence posts has been perfected which makes it possible for any farmer to make the quickly decaying woods, still abundant because hitherto thought almost worthless, far more durable than untreated white oak or chestnut. Demonstrations of this method before southern farmers were received with enthusiasm. For the Middle West, where the common woods are seldom resistant to decay, the matter is certainly no less important. Essentially the same method is being applied to the butts of telegraph poles and to mine props. The enormous consumption of timber for the latter purpose and the extreme rapidity with which it decays in the dampness and darkness of the mine open the prospect of a large economy from the use of this method of treatment, which has stood a searching practical test in Pennsylvania coal mines. By applying the same treatment to timbers from the national forests a use will be found for dead wood and a decided benefit will be conferred on the users of the timber. The work includes a study of the comparative merits of different kinds of preserving fluids.

The investigations aimed at discovering new sources of paper pulp have demonstrated that a number of woods of abundant supply, never in the past thought of for the manufacture of paper, are capable of yielding pulp of standard grade. Studies in wood distillation are establishing the practicability of obtaining turpentine from waste southern pine material.

Ten thousand separate tests of the strength of timber, largely in the form of full-sized structural beams, have established the relative value of a number of woods and proved the fitness for hitherto unthought-of uses of several of them.

Studies of wood production and consumption have added materially to our knowledge of the rate at which we are drawing upon our reserves of standing timber.

QUARTERLY REPORT OF THE BOSTON WOOL MARKET
 FOR JANUARY, FEBRUARY, AND MARCH, 1907.

DOMESTIC WOOLS. (GEORGE W. BENEDICT.)

	1908.			1907.
	January.	February.	March.	March.
OHIO, PENNSYLVANIA, AND WEST VIRGINIA.				
(WASHED.)				
XX and above	33 @ 34	33	32 @ 33	34
X	31 @ 32	30 @ 31	30 @ 30½	32 @ 32½
1/2 Blood	37 @ 38	36 @ 37	35 @ 36	40 @ 41
"	37	36	35	
"	35	34	33	
Fine Delaine	37½ @ 38	37½ @ 38	37 @ 37½	37 @ 37½
(UNWASHED.)				
Fine	25½ @ 26	25½ @ 26	24 @ 25	25 @ 26
1/2 Blood	31 @ 32	31 @ 32	30 @ 31	33 @ 34
"	31	31	30	
"	29	28	26	
Fine Delaine	30 @ 31	30	29	30
MICHIGAN, WISCONSIN, NEW YORK, ETC.				
(WASHED.)				
Fine				
1/2 Blood	36 @ 37	35 @ 36	34 @ 35	39 @ 40
"	35	34	33	
"	33	32	31	
Fine Delaine	36 @ 36½	36	35	35 @ 36
(UNWASHED.)				
Fine	24 @ 24½	23½ @ 24	23 @ 23½	24 @ 25
1/2 Blood	30 @ 31	29 @ 30	29 @ 30	32 @ 33
"	30	30	29	
"	28	27	25	
Fine Delaine	28 @ 28½	28	27	27½ @ 28½
KENTUCKY AND INDIANA.				
(UNWASHED.)				
1/2 Blood	30	30	30	
"	28	28	26	
Braid	23 @ 24	22 @ 23	21 @ 22	28 @ 29
MISSOURI, IOWA, AND ILLINOIS.				
(UNWASHED.)				
1/2 Blood	29	29	28	
"	27	26	25	
Braid	22 @ 23	21 @ 22	20 @ 21	27 @ 28
TEXAS.				
(SCOURD BASIS.)				
Spring, fine, 12 months	66 @ 67	63 @ 64	61 @ 62	69 @ 70
" " 6 to 8 months	60 @ 61	55 @ 56	50 @ 51	62 @ 63
" medium, 12 months	58 @ 59	53 @ 54	50 @ 51	62 @ 63
" " 6 to 8 months	50 @ 52	45 @ 46	42 @ 43	55 @ 57
Fall, fine	47 @ 48	43 @ 45	42 @ 43	57 @ 58
" medium	42 @ 43	38 @ 40	35 @ 38	52 @ 55
CALIFORNIA.				
(SCOURD BASIS.)				
Spring, Northern, free, 12 months	63 @ 64	61 @ 62	58 @ 60	67 @ 68
" " " 6 to 8 months	56 @ 58	51 @ 53	48 @ 50	63 @ 64
Fall, free	46 @ 47	41 @ 42	38 @ 40	56 @ 57
" defective	30 @ 40	25 @ 35	25 @ 30	35 @ 40
TERRITORY WOOL: Montana, Wyoming, Utah, Idaho, Oregon, etc.				
(SCOURD BASIS.)				
Staple, fine and fine medium	67 @ 68	65 @ 66	64 @ 65	69 @ 71
" medium	60 @ 61	56 @ 58	54 @ 56	65 @ 66
Clothing, fine	58 @ 60	55 @ 57	52 @ 53	60 @ 67
" " medium	55 @ 57	52 @ 55	50 @ 51	65 @ 66
" " medium	50 @ 52	47 @ 50	45 @ 47	60 @ 62
NEW MEXICO. (Spring.)				
(SCOURD BASIS.)				
No. 1	56 @ 58	53 @ 55	51 @ 53	63 @ 65
No. 2	48 @ 50	45 @ 47	41 @ 43	56 @ 57
No. 3	36 @ 38	31 @ 33	28 @ 30	45 @ 47
No. 4	28 @ 30	25 @ 27	22 @ 24	38 @ 40
NEW MEXICO. (Fall.)				
(SCOURD BASIS.)				
No. 1	46 @ 48	42 @ 44	40 @ 42	52 @ 53
No. 2	38 @ 40	35 @ 36	34 @ 35	49 @ 50
No. 3	30 @ 32	27 @ 30	25 @ 28	43 @ 44
No. 4	25 @ 28	22 @ 25	20 @ 23	38 @ 39
GEORGIA AND SOUTHERN.				
Unwashed	25	23	22	30 @ 31

DOMESTIC WOOL.

The sales for the present quarter, ending March 31, have been extremely light and prices have shown a decline on most qualities.

This condition of the market may be accepted as the logical sequence following the panic of last fall and the consequent disturbance of general business.

The heavy weight season has been practically a failure and, as the majority of manufacturers are pursuing the wise policy of running only on orders, much machinery is idle and the consumption of wool is correspondingly curtailed. Conservatism seems to be the watchword everywhere along the line and if this disposition can only be maintained during the marketing of the new clip in the country, there may be an opportunity for the wool dealer to secure a legitimate profit on his investments, of which he has been deprived for the past two seasons.

Fleece wools (with the exception of $\frac{1}{4}$ bloods) have sold relatively better than territory wools, and fine Delaines and $\frac{1}{2}$ bloods have shown comparatively little depreciation in value. In territory wools fine staple qualities have held their strength remarkably well, owing to the light supply in the market. Quarter bloods seem to be entirely out of style and have suffered considerable decline in values. In order to move clothing wools of all grades substantial concessions have had to be made. Scoured wools have met the same fate, especially the inferior offerings which are suitable only for woollen purposes.

GEORGE W. BENEDICT.

Boston, March 31, 1908.

PULLED WOOLS. (*Scoured basis.*) (W. A. BLANCHARD.)

	1908.			1907.
	January.	February.	March.	March.
Brushed, Extra	65 @ 70	62 @ 67	60 @ 65	68 @ 72
Fine A	55 @ 60	53 @ 57	52 @ 55	60 @ 65
A Super	46 @ 50	45 @ 48	43 @ 46	53 @ 58
B Super	36 @ 42	35 @ 40	34 @ 38	47 @ 49
C Super	27 @ 30	25 @ 28	22 @ 25	30 @ 35
Fine Combing	53 @ 58	52 @ 57	50 @ 55	57 @ 62
Combing	43 @ 45	42 @ 44	40 @ 42	48 @ 52
California, Extra	57 @ 62	55 @ 60	53 @ 57	63 @ 70

REMARKS.

The quarter has been one of exceedingly bad business, as fully two-thirds of the woollen manufacturers have shut down their machinery or have been running on part time. The decline in the market cannot fairly be measured by quotations, as, in many instances, transactions have been private deals in which the buyer has practically made the price. Staple wools have been in moderate demand, more particularly those grading half-blood and above, and

there has been a limited call for extras and fine A's; but medium and low clothing wools, such as B and C supers, have been absolutely stagnant. It has been hoped that the low level to which this class of wool has fallen would induce manufacturers to make cheviots but fashion continues to favor worsteds. Owing to the decline in the demand for sheep-leather and to the closing-down of many of the smaller pulleries pelts have accumulated and have broken heavily in price.

W. A. BLANCHARD.

FOREIGN WOOLS. (MAUGER & AVERY.)

	1908.			1907.
	January.	February.	March.	March.
Australian Combing:				
Choice	42 @ 43	42 @ 43	41 @ 43	43 @ 45
Good	41 @ 42	41 @ 42	40 @ 41	41 @ 42
Average	40 @ 41	40 @ 41	38 @ 40	39 @ 40
Australian Clothing:				
Choice	42 @ 44	42 @ 44	41 @ 43	43 @ 44
Good	41 @ 42	41 @ 42	40 @ 42	40 @ 42
Average	39 @ 40	39 @ 40	38 @ 40	38 @ 40
Sydney and Queensland:				
Good Clothing	41 @ 43	41 @ 43	41 @ 42	40 @ 42
Good Combing	41 @ 42	41 @ 42	40 @ 41	39 @ 40
Australian Crossbred:				
Choice	43 @ 45	42 @ 44	35 @ 38	43 @ 45
Average	40 @ 41	39 @ 40	31 @ 32	42 @ 43
Australian Lambs:				
Choice	43 @ 45	43 @ 45	43 @ 45	44 @ 47
Good	40 @ 43	40 @ 43	40 @ 43	40 @ 43
Good Defective	33 @ 35	33 @ 35	33 @ 35	35 @ 37
Cape of Good Hope:				
Choice	35 @ 36	35 @ 36	33 @ 35	36 @ 37
Average	30 @ 31	30 @ 31	29 @ 30	31 @ 33
Montevideo:				
Choice	34 @ 36	33 @ 35	31 @ 33	37 @ 39
Average	32 @ 33	31 @ 32	30 @ 31	34 @ 36
Crossbred, Choice	32 @ 33	31 @ 32	28 @ 30	39 @ 41
English Wools:				
Sussex Fleece	38 @ 40	37 @ 39	36 @ 39	45 @ 46
Shropshire Hogs	38 @ 39	37 @ 38	36 @ 37	44 @ 45
Yorkshire Hogs	36 @ 38	35 @ 37	34 @ 36	42 @ 43
Irish Selected Fleece	37 @ 38	36 @ 37	35 @ 36	43 @ 44
Carpet Wools:				
Scotch Highland, White	20 @ 21	19 @ 20	16 @ 17	24 @ 25
East India, 1st White Joria	26 @ 27	26 @ 27	25 @ 26	31 @ 32
East India, White Kandahar	24 @ 25	24 @ 25	24 @ 25	27 @ 30
Donskoi, Washed, White	26 @ 28	26 @ 28	26 @ 28	35 @ 36
Aleppo, White	30 @ 31	29 @ 30	28 @ 30	34 @ 36
China Ball, White	17 @ 18	17 @ 18	17 @ 18	23 @ 24
" " No. 1, Open	16 @ 18	16 @ 18	16 @ 18	20 @ 22
" " No. 2, Open	15 @ 16	15 @ 16	15 @ 16	15 @ 17

FOREIGN WOOLS.

Until the latter part of March the market in foreign wool in this country was but a continuation of the inactivity which prevailed throughout the closing months of the year. Manufacturers were restricted in their demand for goods and unwilling to add to their stock of wool in the slightest degree.

During March, however, a demand sprang up for worsted dress-goods, and large purchases were made by leading manufacturers of Australian 46s and below, principally 40s to 36s. Owners who had been holding for months for a profit suddenly weakened in price, and made this large business possible.

Meanwhile prices had fallen at the London sales, owing to the almost panicky condition prevailing in the European wool markets.

There has only been a moderate demand for Australian fine wools, but deep grown, sound wools being scarce, such wools have been held more strongly than any others.

English wools have suffered a decline, but the bulk of the business has been done direct between the mills and England, and only a small business has been transacted through dealers on this side.

Owing to the pressure of bankers and weak holders, prices of carpet wools have broken, and a moderate business has been done with spinners, but there seems to be a large supply of carpet yarns, and buyers are not taking hold with any eagerness. A return to usual activity in carpet wools will not be expected until the business of the country is restored to something like normal conditions.

MAUGER & AVERY.

MARCH 31, 1908.

BULLETIN

OF THE

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DEVOTED TO THE INTERESTS OF THE NATIONAL WOOL INDUSTRY.

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[No. III.]

SHOULD THERE BE A TEN PER CENT MARGIN FOR UNDERVALUATION OF IMPORTED MERCHANDISE?

AN EXAMINATION OF THE QUESTION (*Continued*).

THE COMMITTEE ON WAYS AND MEANS MADE A REPORT
ON AMENDMENTS.

IN the first session of the Fifty-fourth Congress a bill, No. 4437, to amend the act of June 10, 1890, was introduced into the House and referred to the Committee on Ways and Means.

In reporting the bill, back to the House March 13, 1896, the committee said :

The act of June 10, 1890, was the culmination of many years of effort and study to simplify the laws relating to the collection of the customs, *and to prevent fraud upon the revenue by reason of undervaluation.*

That the result was a long step in advance of all former legislation on the subject has been abundantly proved by the result of six years' experience under the present law. These years have also demonstrated some weak points in the law of 1890, some of which the present act is calculated to remedy.

In reaching their conclusions the committee, after stating that they had confined "their efforts to the strengthening of the present law" and had "availed themselves of the advice and assistance of the Assistant Secretary of the Treasury, members of the Board of General Appraisers, importers, and others who have had practical experience on the subject, and of a commission appointed in 1893 to investigate the subject, of which ex-Secretary Fairchild was chairman," continued as follows:

The difficulties of administration under the present law do not arise from the regular importations of standard goods. These have a fixed market value which can be easily and definitely ascertained at the point and date of shipment. Reliable testimony as to the quality and value of these goods is easily found. But the chief trouble is in relation to consigned goods, and second, in relation to goods of a kind peculiar to a locality or a factory.

The consignment of goods is increasing very rapidly. There seems to be no reason for this increase except the fact of the difficulties in the way of detecting fraud in the valuations of consigned merchandise. . . .

One of the most important amendments is that proposed to Section 7. The present law provides, in effect, that when the appraised value exceeds the value in the entry by not more than 10 per cent, only the same duty shall be collected as though the true value had been correctly stated in the entry. . . .

The present practice for dishonest importers is to get as near the danger line of 10 per cent as possible in their under-valuations, knowing that they will be obliged to pay no more duty, if detected, than would be required in an honest invoice. This system offers a premium for dishonesty. In addition, when the value is advanced more than 10 per cent, the Treasury Department generally remits the additional duty, holding that under the present law it is a penalty and subject to remission.

The most important amendment, in the opinion of the committee, was to Section 7, which provided that an additional duty should begin at the point where the value fixed by the appraisers exceeds that stated in the invoice and

should be equal to 1 per cent of the total appraised value for every 1 per cent of increase of valuation by the appraisers, such additional duty to be limited to 50 per cent.

DEBATE IN THE HOUSE.

When the amendments were on their passage through the House March 17, 1896, quite a discussion occurred over several changes, and an effort was made to modify the recommendations of the committee, but the committee was sustained, and the effort failed. Speaking for the amendments, Mr. Payne, who introduced the amended bill, said in part:

We have had experience under this law of 1890 now for about six years, and it has been found generally to have saved a good deal of revenue to the Government as well as prevented a good deal of fraud in the collection of the revenue. At the same time, years of experience have developed various weak spots in the law with reference to which the consensus of opinion of those who have been engaged in administering it is that there may be found some remedy.

Of course, Mr. Chairman, it is utterly impossible to enact any law that will make all men honest. No law can be framed to collect the revenues of the Government where the duties are *ad valorem* that is not open to evasion by reason of fraud, fraudulent invoices, and fraudulent valuations, even though the invoices and the valuations are made under the oath of the importer, and the experience under this law up to the present time has been that various methods of evasion have been resorted to to escape the payment of duties. The most favored one is that of importing goods on consignment. For instance, a large manufacturing concern will have a local agent in New York, generally some clerk to whom the goods are consigned, and as there is no sale there is no necessity for any declaration of sale, or for any false affidavit as to sale, and the value depends, largely — entirely, so far as the declaration of the importer is concerned — on the honesty and truthfulness of the importer of the goods. . . .

I would say that in adopting this amendment the committee have been guided by the suggestions of the Secretary of the Treasury, by the Board of General Appraisers, and also by a report of the Commission which was formed in 1893, of

which ex-Secretary Fairchild was the president, and, with ex-Collector Magone, Mr. Dunn of Arkansas, a former member of Congress, and another gentleman, composed the Commission. They very strenuously recommend the amendment to Section 15 which we have adopted and also Section 7.

Mr. Walsh, of New York, offered an amendment to make Section 7 read thus :

And if the appraised value of any article of imported merchandise subjected to an ad valorem duty . . . shall exceed the value declared in the entry 6 per cent there shall be levied, collected and paid, in addition to the duties imposed by law on such merchandise, etc.

In speaking for this amendment he said :

The bill as it is reported from the committee inflicts a penalty where there is any undervaluation. As I said in my former remarks, it is almost impossible for any importer, or any appraiser, or any expert, to get at the exact value of any article, and the law under which we are living now allows 10 per cent leeway. My amendment reduces it to 6 per cent, or I would be willing to make the rate 5 per cent ; but I say that it is a great hardship on the importer or the merchant to hold him down to the exact valuation of any article that he imports into this country.

In discussing this amendment the following colloquy took place :

Mr. Payne.—Mr. Chairman, this amendment simply provides for 6 per cent of a fraud. That is the whole proposition. The additional duty cannot be incurred unless there is fraud in the valuation. If the appraisers add 6 per cent to the importer's valuation, then the line of the additional duty commences there.

Mr. McMillan.—The gentleman has said that this is only a tax of 6 per cent on fraud. Does he not know that this imposition is to be placed on the goods, however honestly the mistake may have been made originally ?

Mr. Payne.—If I said a tax of 6 per cent on fraud I did not mean it. I meant that this offered a premium of 6 per

cent on fraud — that it gave a chance for the importer to advance his goods 6 per cent without incurring the risk of losing a dime.

Mr. Walsh. — Does not the present law allow 10 per cent?

Mr. Payne. — It does; and that is one of the worst features of the present law, if not its worst feature. It encourages more fraud, undervaluation, and crimes against the revenue than any other feature in the present administrative law; and it was because the committee wanted to reduce those offences to a minimum that they made the increased duties commence at the point of the increased valuation, ascertained by an honest appraisement by the Board of Appraisers. If the appraisers increase the importers' valuation only 1 per cent, then there is an increase of only 1 per cent in the duty.

Mr. Walsh. — An increase of 1 per cent not on the overvaluation, but on the whole importation.

Mr. Payne. — An increase of 1 per cent on the valuation of the whole importation. Now, the provision of the bill is no hardship to the honest importer. He has a hearing before the appraiser; his witnesses are heard; he can prove the value of his goods, which he knows better than any other man. There is no hardship on him. This provision will operate only against those who may seek to evade the law, and we want to cut off the opportunity of evasion even by those who would evade the law by only 6 per cent of undervaluation. We want to reduce the evasion to a minimum. We want to provide, in effect, that if there should be only 1 per cent of undervaluation additional duty to the extent of 1 per cent shall be added upon the appraised value of the goods.

The committee considered the advisability of fixing the line at 5 per cent or at 10 per cent. It was the judgment of the committee, following the judgment of the board that examined the question for months in the city of New York, the board of which ex-Secretary Fairchild was chairman — following the judgment of that board we have made the increased duty commence with the increased valuation of the Board of Appraisers. I hope that the amendment will be voted down and that the section will be allowed to stand as reported.

Mr. Dingley. — I desire to say that it is the judgment both of the Treasury Department and of the board of which ex-Secretary Fairchild was chairman that the point of additional duty should commence at the point of undervaluation.

Allow me to read what ex-Secretary Fairchild says in his report on this point: "This penalty or additional duty is required not only to punish and prevent wilful undervaluations, but also to operate as a constant inducement to the importer to state with the greatest possible accuracy the true market value," and I may say the importer knows the exact market value of the goods which he imports; in many cases he is the only man who does know accurately their exact market value: "and thus to aid the Government appraising officers in the performance of their duty. Under the present system the importer has a margin of 10 per cent within which he may incorrectly state the market value, subject to no greater risk, should his entry be advanced, than the payment of the regular duty upon the amount added by the appraising officer to make market value."

And as a rule he states the market value where there is a difference, or if there is a difference in valuation, substantially 10 per cent below the market value, because he has 10 per cent leeway.

"If, however, no margin is allowed for differences of opinion between the appraising officer and the merchant, there is always an inducement to the importer to state the market value as accurately as he can, irrespective of the price he may himself have paid."

And for this reason that board presided over by Secretary Fairchild, as well as the Treasury Department, unanimously agree that the assessment of additional duty should begin at the point of undervaluation.

Mr. McMillin.¹—As I conceive it, it was very wisely provided there that the penal duty should not attach unless there was a difference of at least 10 per cent between the invoice value of the importation and the finding of value of the Board of Appraisers. It was at first thought by the committee that this difference might be fixed at 5 per cent, and I confess that I might have been content with 5 per cent; but when the committee undertakes to fix the penalty on the invoice because there is a difference between the invoice and the value which is fixed by the appraisers which is less than 5 per cent I think they go into an impracticable administration of the law and undertake to fix penalties for that which is impossible. . . . The expert said that it would be wholly impracticable for two men to come to the same conclusion as to the value of the goods to such an extent that

¹ Congressional Record, March 17, 1896, p. 2889.

the difference between them would amount to no more than 1 or 2 or even 5 per cent on the valuation.

The House passed the bill March 17; but owing to the late date, probably, and the early adjournment of Congress, because of the pending presidential contest, no action was taken by the Senate.

After Mr. McKinley was elected President, and it became certain that the tariff would be revised again, the Committee on Ways and Means, in their hearings, received testimony on the effect of undervaluations, the following being put in evidence by Wilson Brothers, of Chicago, who wrote:

In visiting the several cities throughout Germany one's attention is especially called to the magnificent estates of parties who were formerly in the importing business in New York City. Scores and scores of such instances are named where the owners were residents of New York but a few years, returning to the old country to enjoy their wealth the remainder of their lives. As a rule, ten or fifteen years at the most has been the limit of time required to accomplish this result. We know of an instance where the founder made his fortune and returned within ten or fifteen years, his son succeeding him for the same length of time and returning likewise, and now the grandson is pursuing the same policy, with the expectation of following the footsteps of his predecessors. This has been and is being done by foreigners, who have no earthly interest in this country other than to make money, regardless of the method, and return at the earliest possible date. All this is largely done at the expense of the native American importer, whose life, money, and influence is (are) at the call of the Government. This system will continue as long as consignments and ad valorem duties are in vogue.¹

RESULTS FINALLY OBTAINED.

The long struggle to have the 10 per cent privilege taken out of the law was nearing the end; for when amendments were finally made to the customs administrative act the old

¹ Hearings before Ways and Means Committee, Second Session, Fifty-fourth Congress, 1896-'7, Vol. II., p. 2105.

invitation, eagerly and generally accepted, was revoked. The new law, as amended, in 1897, closely following the amendments passed by the House at the last session of the previous Congress, required the importer, knowing the value of his importations, to state it correctly in his invoice, he being held to strict accountability and being obliged to pay extra duty for every 1 per cent of variation between the entered and the appraised valuation. The Committee on Ways and Means unanimously favored this change abolishing the 10 per cent, and it met with no opposition in its passage through Congress.

This law, like the act of June 10, 1890, was not long on the statute books before an effort was made to change certain of its features.

The Merchants' Association of New York appointed a committee, at the suggestion of President McKinley,¹ "to make a careful analysis of the customs administrative act of June 10, 1890, as amended by the act of July 24, 1897, and to suggest such changes therein, or amendments thereto, as they might deem wise, for the better protection of the government, domestic manufacturer, and the honest importer alike." When this suggestion was made by President McKinley, or when the investigation was made by the committee, consisting of Messrs. John Gibb, A. D. Juillard, H. D. Cooper, J. Crawford McCreery, and Thomas H. Downing, the pamphlet does not disclose, the letter transmitting the report to President McKinley being dated March 1, 1900. It is safe, however, to conclude that the suggestion was made and the committee appointed between July 24, 1897, and March 1, 1900. The committee said in this letter that the suggestions contained in their report were prepared "after careful and earnest investigation of the many conflicting interests involved;" and yet their suggestion for an undervaluation margin was only half that recommended by the Commission to Germany and urged by the Secretary of State and the President. They wrote: "A margin of 5 per cent

¹ See letter of transmittal, March 1, 1900, contained in pamphlet to President McKinley.

should be allowed between the entered and appraised value of merchandise before any penalties (additional duties) should accrue," and in suggesting 5 per cent they declared, "We believe that herein we express the views of the leading customs officials, as well as those of the importers."

As far as we can learn, after transmitting this report to the President, the Merchants' Association Committee allowed it to slumber for some half dozen years before they took steps to revise and resubmit it. But when the German government, urged by German exporters chafing under their inability to ply their undervaluations with old-time success, began in 1905 to negotiate for concessions in our customs administrative act where they "bear hardest upon German exporters," the time seemed opportune to join forces with the German Ambassador and call the report to the attention of the President and the Committee on Ways and Means.

The German exporters asked, among other things, for a return to the 10 per cent margin under which so many of them grew wealthy at the expense of the government's revenues and the honest importers of the country.

This request for a return to the old margin is significant, and makes one familiar with their past record in this line doubt the good purpose of their demand and the wisdom of conceding it. The secret, it seems to the writer, can be found in the testimony given by witnesses and especially in the report of the Boston Committee in 1886, which said:

The same system of undervaluation can be shown in the same manner in respect to woolen and worsted goods, *especially those from Germany* none of which are regularly imported, and it can be shown by documentary proof that cutlery, *more particularly goods from Germany*, has been for many years largely and systematically undervalued upon entry at the port of New York.

SUGGESTIONS MADE AT THE HEARINGS GIVEN BY THE
COMMITTEE ON WAYS AND MEANS.

At the hearings given by the Committee on Ways and Means, Secretary Shaw, who thought "to give the importer no margin at all is a little severe," testified respecting the changes he would recommend as follows:¹

Among the recommendations that I have made is a conditional concession that no penalty — additional duty — shall be imposed on undervaluation when the undervaluation is less than 5 per cent. If Germany had rejected our overtures I should then have recommended, in justice to the importer, the right to the Secretary of the Treasury to remit the penalty for undervaluation of less than 5 per cent when the Board of General Appraisers certified that in their opinion this undervaluation was the result of good faith difference of opinion. . . .

The Olcott Bill² was worded thus:

And if the appraised value of any article of imported merchandise subject to an ad valorem duty or to a duty based upon or regulated in any manner by the value thereof shall exceed the value declared in the entry by more than 5 per centum there shall be levied, collected, and paid, in addition to the duties imposed by law on such merchandise, an additional duty of 1 per centum of the total appraised value thereof for each 1 per centum in excess of 5 per centum that such appraised value exceeds the value declared in the entry.

It further provided that the additional duties should not be penal and should not be remitted.

The Committee on Customs Service and Revenue Laws of the Merchants' Association of New York wished Section 7 to be amended so that it would read as follows:

And if the appraised value of any article of imported merchandise subject to an ad valorem duty or to a duty based upon or regulated in any manner by the value thereof shall exceed the value declared in the entry *by more than 5 per centum*,

¹ Hearings, Committee on Ways and Means, 1906, p. 23.

² *Ib.*, pp. 108 and 109.

there shall be levied, collected, and paid, in addition to the duties imposed by law on such merchandise, an additional duty of 1 per centum of the total appraised value thereof for each 1 per centum *in excess of 5 per centum* that such appraised value exceeds the value declared in the entry.¹

Mr. Thomas H. Downing, chairman of the above mentioned committee, in addressing the Committee on Ways and Means said,² "I am only speaking of the honest representative merchants of the country and not the undervaluers." The explanation of the foregoing amendment submitted to the Committee on Ways and Means, and found on page 14 of the pamphlet printed by the Merchants' Association Committee, reads as follows:

We respectfully submit that as actual market value of merchandise is not a definite quantity but fluctuates within certain limits and is more or less proportionate to the volume of the transaction; and since there is always a certain difference in the values given for identical merchandise when appraised by the best experts, margin of 5 per cent should be allowed between the entered and appraised value of merchandise before any penalty should accrue. We believe that herein we express the views of leading customs officials, *as well as those of the importers.*

THE SUGGESTION OF THE GENERAL APPRAISERS.

The General Appraisers testified concerning the proper margin to allow for difference of opinion as to value. General Appraiser Fischer criticised the amendment submitted by the Merchants' Association of New York, as follows:

They provide for a 5 per cent allowance between the entered and appraised value; as their proposal reads it would amount to this: Suppose after a hearing of the Board on a reappraisement case they should find that the goods are undervalued 55 per cent; according to the reading of the

¹ See pamphlet, *Revision of the Customs Laws: Report of the committee on Customs Service and Revenue Laws*. The Merchants' Association of New York, January, 1906, pp. 13 and 31.

² Hearings, Committee on Ways and Means, 1906, p. 13.

amendment that will lop off 5 per cent and put them down to a 50 per cent basis. My amendment provides that when the whole increased valuation does not exceed 5 per cent, the penalty shall be remitted if the general appraiser or Board of General Appraisers shall certify that the increase is due to trade conditions only and is not an intentional undervaluation. This will protect the honest merchant and punish the other class.¹

The Board of General Appraisers' Bill² provided "that if the appraised value of any merchandise shall not exceed the value declared in the entry by more than 5 per centum, and the board of three general appraisers who decided the case shall certify that such increase was caused solely by reason of trade conditions the additional duties herein provided for shall not be levied or collected."

THE COMMITTEE ON WAYS AND MEANS AGAIN RECOMMENDS AMENDMENTS.

The hearings resulted in a number of amendments to the act being reported to the House by the Committee on Ways and Means, the one with which we are chiefly concerned providing that "if the appraised value of any article of imported merchandise subject to an ad valorem duty or to a duty based upon or regulated in any manner by the value thereof, shall exceed the value declared in the entry by more than 5 per centum, there shall be levied, collected and paid, in addition to the duties imposed by law on such merchandise, an additional duty of 1 per centum of the total appraised value thereof for each 1 per centum that such appraised value exceeds the value declared in the entry."

THE HOUSE VOTED AGAINST THE TEN PER CENT MARGIN.

When the amendments were on their passage in the House June 27, 1906, Mr. Olcott, who had introduced a bill making radical changes in the law, attempted to incorporate four of his own amendments into the various sections amended.

¹ See Hearings, Committee on Ways and Means, 1906, p. 67.

² *Ib.*, p. 103.

He made no argument against the section compelling accurate entry of merchandise; neither did he give any reason for his proposed amendment allowing a 10 per cent margin for undervaluation, except to say that he offered the amendments because of information he had obtained from the State Department. Then he added:

It seems that in a recent arrangement made, a *modus vivendi* between the State Department and the German Government in connection with the restriction sought to be placed by the German Government on American goods, the State Department, I think after consultation with the Treasury Department, made an agreement for a temporary agreement. Letters passed between the Secretary of State and the German Ambassador and my impression and my feeling is, on information from the State Department that unless these amendments which I have proposed are placed in this bill, it will be an evidence of bad faith by us, or show that there is something in the nature of bad faith in the relations between our Government and the German Government. I certainly do not wish to do anything to interfere with the proper collection of customs or proper administration of our tariff laws, but I would rather temporarily have something disturb the system than that a well-grounded charge should be made against our Government that we had been guilty of bad faith in our relations with any other government.

Answering Mr. Olcott's remarks, Chairman Payne replied as follows:¹

It is true that there was some negotiation between the State Department and the German Ambassador, and it is true that the State Department recommended to Congress a change similar to the change involved in this amendment—and I think the Secretary of the Treasury was present at the time. Whether he agreed to that change or not, he did agree to recommend another change in another particular in the bill. . . . That arrangement did not permit [prevent] the appraisers appearing before the committee and telling the truth; that did not permit [prevent] the committee investigating this matter and getting at the facts, and we are unwilling, whether the State Department recommends it or not, to concede this amendment, proposed to the law.

¹ Congressional Record, June 29, 1906, p. 9938.

That Mr. Olcott was mistaken in his view of the negotiation with Germany is shown by the letter of Secretary Root to Chairman Payne in response to a resolution of the House requesting "information as to what arrangement or agreement the Department of State has made with the German Government in reference to tariff relations between the United States and Germany." Mr. Root, under date of February 28, 1906, wrote that "there has been no arrangement or agreement made between the United States and Germany, except as appears in the enclosed correspondence."

The correspondence as printed shows that in a communication written November 21, 1905, the German Ambassador asked Secretary Root this question among others, "Could it be arranged that an additional duty be levied only in case the appraised value exceeds the declared value more than 10 per cent?"

Under date of February 16, 1906, Secretary Root in a reply to the German Ambassador re-stated his question and replied as follows:

This would require Congressional action. I enclose, marked "E," a proposed recommendation from the Secretary of the Treasury to Congress which applies the rule for which you ask to the extent of 5 per cent, and as to the remaining 5 per cent gives the Secretary of the Treasury authority to waive or remit the additional duty upon a certificate that the undervaluation was the result of honest difference of opinion—that is to say, under the proposed rule the additional duty would be imposed only in case the appraised value exceeds the declared value more than 5 per cent, and could then be remitted up to the point of a 10 per cent difference upon a certificate of good faith.¹

The amendment relating to undervaluation offered by Mr. Olcott read as follows:

That where the appraised value of any merchandise exceeds the entered value by not more than 10 per cent, the Secretary of the Treasury may remit the additional duties if the Board of General Appraisers should report that, in their opinion,

¹ Congressional Record, June 29, 1906, p. 9939.

there was no fraud or intentional undervaluation on the part of the owner, importer or consignee of said merchandise and shall recommend such remission.

Speaking on this amendment Chairman Payne said :

When the administrative act was adopted in 1890, it had a provision similar to that giving the importer 10 per cent leeway on a guess, and as a rule he guessed about $9\frac{1}{2}$ per cent. In other words, they undervalued $9\frac{1}{2}$ per cent, and strained their consciences to that extent. When we came to pass the act of 1897, the committee was unanimously in favor of abolishing this 10 per cent leeway. Now, if the goods have been undervalued and the valuation is raised by the Board of Appraisers over and above the price at which they are entered by the importer, the duties are paid according to the increased value and an additional duty, which outsiders sometimes call a "penalty" — but which is not a penalty, because, under the law, it is a duty — an additional duty of 1 per cent on the undervaluation is exacted upon the goods. Now it does seem that at some time the Secretary of State agreed to recommend, and did recommend, an amendment similar to this amendment, . . . but the committee did not feel it was safe to go back to the old plan of 1890 to 1897. It was sought to get this 10 per cent clause in the bill, but we then thought we would go as far as 5 per cent and give them a chance to guess $4\frac{1}{2}$ per cent; but we did not want to go any further than that, because it might make too great a reduction of revenues and certainly would give the dishonest importer an advantage over the honest importer, who honestly appraised his goods and swore to his invoices when he tried to enter them. Now, by the action of the committee, after consideration, we concluded to give not to exceed 5 per cent.

This third amendment was lost and Mr. Olcott withdrew the fourth.

Notwithstanding the recommendation of the Board of General Appraisers, the suggestion of the Secretary of the Treasury, the report of the Committee on Ways and Means, and the action of the House of Representatives — all made or taken within six months of their departure on their mission — the commissioners sent to Berlin ignored them, set

up their judgment as superior to all others, and made a recommendation which not only doubled the margin which the House of Representatives was willing to concede, but also doubled that urged by the importers' representative and the chairman of the Merchants' Association Committee, who, in asking for a 5 per cent margin, declared that therein they were representing the views, not only of the leading customs officials, but the importers themselves.

If the amendment suggested by Mr. Downing's committee — which provided for a margin half as great as that recommended by the Commissioners to Germany — represented the views of the leading customs officials of the country and the views of the importers themselves, whose views are represented by the recommendation of the Berlin Commission? Clearly they represent those of the German consigning exporters whose wishes were expressed by the German Ambassador in his note of November 21, 1905, to Secretary Root when he asked for an arrangement allowing a 10 per cent margin. His countrymen knew — if our Secretary of State and the Commissioners to Germany did not — what the concession meant to them; for they had had experience under a like privilege, from which they had reaped handsome returns, the loss of which "bore heavily" upon them, and a return to which they eagerly awaited.

If granted, the effect of this privilege on the woolen duties and the protection accorded the wool manufacturer will be better understood by an illustration of its operation.

Under paragraph 316, of the act of 1897, woolen cloths valued at 71 cents per pound are dutiable at 44 cents per pound and 55 per cent ad valorem, which equals 83.05 cents duty, but if entered at 64 cents valuation, not quite 10 per cent less than true value, the duty would be 44 cents per pound and 50 per cent, equal to only 76 cents, a loss in protective duty of 7.05 cents per pound. If, however, the undervaluation is made on goods valued at between 40 and 70 cents per pound the loss of protection to the domestic manufacturer would be much greater, for he would lose not only a portion of the ad valorem duty but also 25 per cent of the

compensating duty allowed him because of the duty on wool. For example, the duty on such goods is 44 cents per pound and 50 per cent ad valorem and on an importation valued at 41 cents per pound the duty is 44 cents, plus 20.5 cents or 64.5 cents; but if they should be entered at 37 cents value, not quite 10 per cent less than the true value, the duty would be assessed at 33 cents per pound and 50 per cent (18.5 cents) equal to 51.5 cents, a loss in revenue of 13 cents per pound and a reduction in the protective duty to the manufacturer of over 20 per cent. Similar conditions exist in all the paragraphs of the woolen schedule where dividing lines of value exist.

THE CHANGES IN SECTION 7 RECOMMENDED BY THE COMMISSION TO GERMANY.

In summarizing the changes the Commission to Germany agreed to recommend to Section 7 of the customs administrative act, the report of the Commission says :

This recommendation covers the following changes in the law :

- I. The right to add to an entry to make market value as to consigned goods.
- II. The right to deduct from the invoice value at the time of entry, as to both consigned and purchased goods.
- III. A 10 per cent margin within which additional duties shall not be levied.
- IV. Reducing the 50 per cent limit, at which point the presumption of fraud arises and merchandise is seized by the collector, to 35 per cent.
- V. Granting to the Secretary of the Treasury the right to remit additional duties when it has been established that undervaluation was due to unintentional error.
- VI. The provision that additional duties shall be construed to be penal and within the purview of Section 5292 of the Revised Statutes, by virtue of which the Secretary of the Treasury is authorized to refund them in cases where the absence of fraud has been established to his satisfaction.
- VII. Preventing the assessment of additional duties on

goods subject to specific duty in all cases where the rate of duty is not changed by reason of the fact that the value found by the appraiser is greater than the entered value.

VIII. The privilege of paying duty on less than the entered value.

All of these propositions, with two exceptions (Nos. IV. and VI.), have been discussed in Congress and in published hearings before the Ways and Means Committee.

If these proposals had been discussed in Congress and in the published hearings before the Ways and Means Committee, why did not the Commission also tell the President and the Congress that in the hearings of 1906 no suggestion was made by any advocate of a change for an absolute margin of 10 per cent, which the commissioners recommended and which experts have practically said is double what is fair or safe? The only witness testifying before the Committee on Ways and Means in 1896 who favored a 10 per cent margin was Mr. William M. Bunn, and he was obliged to admit that in Europe the margin allowed for undervaluations is fixed at 5 per cent. The suggestion for the 10 per cent margin was made in 1906 in the House of Representatives by Mr. Olcott, whose one reason for offering an amendment not in harmony with those made by the Committee on Ways and Means we have set out above; and in the House Mr. Olcott's amendment was rejected — of which important fact the report of the Commission makes no mention. Mr. Root wrote the German Ambassador February 16, 1906, that such a concession "would require congressional action;" the House voted down the proposal, and still the commission ignored that action, and went to the full limit of conceding Germany's wishes, in recommending the margin of 10 per cent for undervaluations "without penalty." This return to the old law is urged by the Commission in spite of all our investigations and experience without setting down in their published report a single reason for it. The only reason advanced by the President for the passage of the amendment is that "besides promoting harmonious relations between the contracting parties to the agreement in question" he regards

“the proposed legislation as a meritorious measure for the improvement of our customs administrative act.”¹

In his annual message to Congress, quoted in his message of January 22, 1908, the President said:

This careful examination into the tariff relations between the United States and Germany involved an inquiry into certain of our methods of administration which have been the cause of much complaint on the part of German exporters. . . . It is quite probable that this system tended toward an increase of the duties collected upon imported goods, but I conceive it to be a violation of law to exact more duties than the law provides, just as it is a violation to admit goods upon the payment of less than the legal rate.²

Why the law has caused “much complaint on the part of German exporters” becomes plain when the testimony, taken in the various investigations, conducted by the Senate Finance Committee, Treasury officials and the Tariff Commission, is examined. Such examination will show that undervaluations occur almost universally in merchandise consigned for sale, a branch of the importing business in which Germans are very generally engaged.

The President conceives “it to be a violation” of law “to admit goods upon the payment of less than the legal rate;” but nevertheless advocates the passage of a law which a quarter century’s experience shows facilitated the entrance of merchandise at valuations enabling the owners to pay greatly less than the legal rates, with harmful results to the honest men in the importing business, domestic manufacturers, and the federal revenue. That this fact has been conclusively established, we confidently believe no one will deny who has examined the voluminous reports of the testimony given before investigating committees and the reports of Commissions, Committees, and Secretaries of the Treasury and Treasury officials.

Even Secretary Root when he wrote to the President under date of January 9, 1908, that the foregoing changes “are in

¹ See Message, January 22, 1908, p. 3.

² See Message, January 22, 1908, p. 1.

line with the recommendations for the amendment of Section 7 of the customs administrative act made by the Secretary of the Treasury in his letter of February 28, 1906, to the Speaker of the House of Representatives," was scarcely accurate in his statement. "In line with the recommendations of the Secretary," but going far beyond what he considered wise or safe; or what the general appraisers advised and urged in the bill they drew.

Reference to Secretary Shaw's letter will show wherein his recommendation as to the margin for undervaluation is altogether unlike the one made by the Commission and urged by the President for enactment into law.

Secretary Shaw's letter¹ is as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
WASHINGTON, February 28, 1906.

SIR: I beg to recommend the following amendments and modifications of the customs administrative act of June 10, 1890:

1. That Section 7 of the customs administrative act of June 10, 1890, be so amended as to permit, at the time entry is made, such addition to the cost or value given in the invoice of consigned merchandise as, in the opinion of the consignee or his agent, may raise the same to the actual market value or wholesale price thereof the same as is by said act permissible of merchandise actually purchased.

2. I further recommend that Section 7 be so amended as to impose no additional duty for undervaluation unless such undervaluation shall equal 5 per centum of the market value of the merchandise, and that the Secretary of the Treasury be authorized to remit all additional duty whenever the undervaluation is less than 10 per centum of the value of the imported merchandise, provided the Board of General Appraisers shall certify that in its opinion the undervaluation is the result of good faith, differences of opinion, or error.

Respectfully,

L. M. SHAW, *Secretary*.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

Although "in line with the recommendations" of the Secretary there is a marked difference between the proposal that no additional duty shall be collected "for undervaluation unless such undervaluation shall equal 5 per centum, and that the Secretary of the Treasury be authorized to remit

¹ Document No. 576, Fifty-ninth Congress, First Session.

all additional duty whenever the undervaluation is less than 10 per centum of the value of the imported merchandise, provided the Board of General Appraisers shall certify that in its opinion the undervaluation is the result of good faith, differences of opinion, or error ;” and the proposal that only in case the appraised value shall exceed the entered value by more than 10 per cent shall additional duties of 1 per cent for each one per centum in excess of the 10 per centum be imposed, as Section 7, in its amended form, would mean. The two proposals are so dissimilar that it is difficult to understand how one can be in line with the other.

In view of the careful study given the laws governing the importation of foreign merchandise by so many competent committees since 1880, and the conclusions they reached, which are diametrically opposite those reached by the Berlin Commission, one cannot help but believe that the President was unaware of the great complaints caused by the lax law prior to 1897 ; — a return to which he urges — of the investigations made concerning its working, and the almost identical conclusions unfavorable to it reached by the several investigating committees. We are persuaded, therefore, that his endorsement of the proposed amendment, allowing the 10 per cent margin, rested entirely upon the recommendations of the Commission and was not the result of a personal examination of the testimony given to the Tariff Commission, or the Senate Finance Committee, or to the report submitted by the Special Agents to Secretary Manning.

WHAT DID THE REPRESENTATIVE OF THE TREASURY DEPARTMENT CONSIDER IN REACHING A DECISION ?

Secretary Root informs the President and through him the Congress that “the foregoing changes were carefully considered and approved by the representative of the Treasury Department on the American Tariff Commission sent to Berlin and have been unanimously recommended for adoption by the Commission in its report.”

If the representative of the Treasury Department carefully considered the changes recommended, as Secretary Root

states he did, did he, in reaching his conclusions, consider the testimony given the Tariff Commission in 1882 on the evils following the increase of the importation of merchandise on consignment and the undervaluation of such merchandise? And did he consider the unanimous report made by the members of that Commission in which they recommended certain changes in the law which they deemed necessary and imperative?

Did he ponder the conditions described by Secretary Folger and the bill he urged to cure the conditions which caused grievous annoyance to the purchasing importers and Treasury officials?

Or did he take any notice whatever of the testimony heard by the Senate Finance Committee of 1885-1886 or their conclusion that the right to undervalue imported merchandise 10 per cent should not be permitted to continue longer?

Did he give any weight to the report of the three Special Agents of the Treasury — two of whom later occupied higher positions in the Department — made to Secretary Manning in 1885?

Or did he deem worthy of consideration the report of the Customs Commission of which ex-Secretary Fairchild was the chairman in 1893?

Or did he consider the testimony on the subject of undervaluation given to the Committee on Ways and Means in 1896, and that committee's unanimous action in 1897 against the 10 per cent privilege for undervaluation, or the additional testimony given the same committee in 1906, by the then Secretary of the Treasury and the changes suggested by him, the general appraisers, and even the Committee on Customs Service of the Merchants' Association of New York?

NO REASONS GIVEN FOR THE MARGIN RECOMMENDED.

If the representative of the Treasury Department carefully considered all the aforementioned testimony and reports, and made his recommendation with full knowledge of the opposite conclusions reached by the Tariff Commission of 1882, Congressional committees, Secretaries of the Treasury,

Treasury officials and agents, he does not furnish the Congress a single reason or a single argument for favoring a reversal of their recommendations and reverting again to a law unsparingly condemned by all the reports ever made to Congress on the subject — that body being informed simply that this Treasury representative “carefully considered and approved the changes recommended.” We have no record of any hearings held by this Berlin Commission or of any witnesses heard who favored the return to the 10 per cent margin, the value of their recommendation resting entirely and solely upon the knowledge of this one commissioner, — whose action has the approval of his two colleagues.

In the face of such preponderating, overwhelming, and conclusive testimony as we have marshalled against the 10 per cent leeway, when considered with the character of the witnesses giving the testimony, — how can this unsupported recommendation be accepted by those who seek, not to legislate for special interests, if you please — but to make it possible for the government to get a fair proportion of the duty written in the law, for the honest importer to continue in business, and for the domestic manufacturer to compete on something like equal terms with foreign rivals?

NO COURT WOULD ALLOW A VERDICT FOR A TEN PER CENT MARGIN TO STAND.

Where could be secured a jury prejudiced or rash enough to render a verdict for the 10 per cent margin in the case as made up in the records of Congress, unsupported, as it is, by any report or recommendation in its favor? And if rendered, where could be found the judge who would not speedily set it aside because against the evidence and the weight of the evidence? Where is the court that would ignore the overwhelming and convincing evidence against the margin and rest a finding in its favor on the suggestion of a single under-official of the Treasury Department even though approved by his fellow commissioners?

Ought the legislation urged by all the committees of Con-

gress, the Tariff Commission, and enacted by the House itself be reversed solely on the suggestion of one man who gives no reason for favoring the change? Ought the testimony of competent witnesses almost unanimously against so large a margin be treated as of no value and the recommendation of the commissioner be adopted and enacted into law? Has such a case for the proposed amendment been made out as to justify a return to the intolerable conditions which prevailed in this country for more than a quarter of a century and which, we had hoped, were gone never to return?

UNACQUAINTANCE WITH THE HISTORY OF UNDERVALUATION
AND THE HAVOC PLAYED BY THEM DOES NOT EXCUSE.

If this recommendation in favor of the 10 per cent margin was given by the "representative of the Treasury Department" in ignorance of the testimony heard and the conclusions reached by the Tariff Commission of 1882, the Senate Finance Committee in 1888-89, various Secretaries of the Treasury, the General Appraisers, the Committee on Ways and Means, and the House of Representatives itself, ignorance of the testimony given and of the conditions existing under the old law allowing the same margin he now urges is not an excuse any more than "ignorance of the law" is a valid defence for a man charged with the commission of an act made criminal by a federal or state statute. It was his business—as it was the duty of his colleagues—to be thoroughly familiar with the country's experience under a law like the one for which German interests were pressing.

If he "carefully considered and approved" the proposed change with full knowledge of, and in spite of the testimony of the expert witnesses we have quoted, then we are quite content to set their conclusions and their recommendations over against his, and rest the case thus made up without further argument.

It would be, we submit, a startling precedent for the Congress to set if the conclusions reached by its own committees after searching examination of witnesses were ignored, the advice of experienced General Appraisers and Secretaries

of the Treasury disregarded, and the recommendation of a division chief in the Treasury Department accepted and enacted into law.

Is the Congress expected to reverse its own action in 1897 and 1906, stultify the labors of its own investigating committees and the Tariff Commission created by it, simply because the Berlin Commission says it ought to be done, or because the President authorized the Secretary of State almost a year after the adverse action by the House on the Olcott amendment — identical with the one now urged — to state to the German Ambassador that “he will recommend to the Congress the enactment of the amendment” which the German consigning exporters so anxiously wish again to become the law?

Should this privilege — if regranted now — produce a tithe of the evil consequences which followed in its wake when the old law allowed the margin, how can it be said that it will do no harm to the fiscal and economic interests of the country? Would it not be a tremendous price to pay for the good will of any nation? In the name of honesty ought it to be granted?

Grant this right by law, and all the boasted advantages — if there be any — gained by the United States in the German agreement will vanish as the fog before the noon-day sun. The 10 per cent undervaluation privilege would be worth more to the consigning, duty-evading exporters than all the open hearings — though they have not been without their value — and all the modifications of customs regulations combined. This they knew, and their efforts were directed towards its attainment, first by diplomacy with the State Department, and second through the Commission sent to Berlin, who yielded the very point which, we believe, the German negotiators deemed of the highest importance to their cause — next to the consummation of a complete reciprocity treaty — and agreed to recommend an amendment to the law permitting the coveted privilege. The favor of the commissioners was won: the support of the President and the Secretary of State was secured, and all that stood — and

all that now stands—between many domestic interests and great loss—if not ruin—is the consent of Congress to this startling suggestion. Will the members of the Senate and the House “turn their backs” on past experience, the counsel of many of their distinguished colleagues, and accept the amendment urged? Or will they stand firm for the law passed in deference to a wide demand from all classes having to do with the importation of merchandise, that the gross frauds perpetrated under the privilege of a law should be lessened, and, if possible, stopped by the passage of an act compelling honest valuation of imports?

The honor of the United States is in no wise involved in negative action on this request, for the reason that the German Ambassador was informed several months before the agreement was signed that the granting of a 10 per cent margin was a matter requiring Congressional action. The President has fulfilled, to the letter, his promise to “recommend to Congress the enactment of an amendment to Section 7 of the customs administrative act of June 10, 1890, as amended by Section 32, act of July 24, 1897.” What it is wise to do remains for the Congress to decide.

The argument used for tariff revision, that times and industries have so changed since 1897 that schedules satisfactory then are out of date, is not at all applicable to this question of margin. On the contrary, with each year's growth of our imports, strict requirements for their entry at approximately correct valuations become the more imperative; for with the increasing quantity imported the greater are the chances for illicit gain, the greater is the temptation to undervalue, and the more difficult it is for honest importers and domestic manufacturers to withstand the dishonest methods employed by the undervaluers.

If it was against good morals ten years ago to permit this margin, why is it advisable to grant it now? If it was inimical to the federal revenue; if it was destructive of the business of the honest importer ten and twenty years ago to permit this margin to continue, why would not a return to

it now bring back the old disadvantages intensified by present conditions and greater opportunities?

If a 10 per cent margin was too much in 1882, — when the value of imported dutiable merchandise in the calendar year was \$538,807,117, — in 1885, 1893, and 1896, why is it not too much now when the value of such imports has reached the enormous sum of \$787,035,536 in 1907?¹

What reasonable man familiar with the gross wrongs committed under the old law, and having a thought for the collection of the federal revenue and the preservation of the business of honorable men striving to comply with the law, can conscientiously vote for the recommendation made by the Commission, the Secretary of State, and the President?

RECAPITULATION.

I. Importation by consignment and undervaluation have been complained of for nearly a century, the Hon. Wm. H. Crawford, Secretary of the Treasury, sending a report to Congress on the subject January 19, 1818.

II. A margin of 10 per cent was allowed by the tariff laws of July 30, 1846, March 3, 1857, and June 30, 1864. Under them the importation by consignment, by which goods were entered at factory cost, thereby diminishing the duties, grew to formidable dimensions. The evils of the system were strongly pointed out by Stephen Colwell, member of the Revenue Commission of 1865-66.

III. In 1881 under Section 2900 of the Revised Statutes which continued the 10 per cent margin allowed by the tariff act of 1864, complaints of its evil effects became so numerous and persistent that the Tariff Commission of 1882 investigated the workings of the law and unanimously recommended the repeal of the section. As a substitute the Commission provided for a variation of 5 per cent between the appraised and entered value.

IV. In 1884 the Hon. Charles J. Folger, Secretary of the

¹ These figures are for the fiscal year and differ slightly from those to be found on page 117. They are the latest corrected figures and are to be found in the Commerce and Navigation Reports for 1907.

Treasury, reported to Congress on the extensive undervaluation of imported merchandise which worked great injury to importers refraining from such dishonest practice. He submitted a bill which withdrew all margin for undervaluation and provided drastic penalties for all discrepancy between the actual foreign value of imported merchandise and the invoice value, but it was not acted upon by Congress.

V. In 1885 an investigation of undervaluations was made under the direction of the Hon. Hugh McCulloch, Secretary of the Treasury, by three Special Agents of the Treasury. They reported that the general practice of undervaluation was admitted. It had been successfully practised for so many years that nothing short of legislation, it was thought, could suppress it.

VI. The Senate Finance Committee next undertook an exhaustive examination of the evil and, in reporting in 1889 against the margin of 10 per cent permitted by Section 2900 and in favor of reducing the leeway to 5 per cent, declared the intention of the change to be to prevent the present habitual practice of undervaluing.

VII. A Boston committee of merchants and manufacturers, investigating the same question in 1886, reported in favor of reducing the 10 per cent margin to 5 per cent.

VIII. Even after the creation of the Board of General Appraisers by the act of June 10, 1890, the effort to prevent undervaluations was not wholly successful, the 10 per cent margin being a factor in the failure.

IX. In 1893 the Hon. John G. Carlisle appointed a committee, of which ex-Secretary Charles S. Fairchild was chairman, to report on the workings of the administrative customs act of June 10, 1890. They reported against the 10 per cent margin allowed by it and recommended no margin whatever for difference of opinion as to values.

X. Before the Committee on Ways and Means in 1896 General Appraiser Tichenor favored a reduction of the margin for undervaluation from 10 to 5 per cent, a limit prevailing in Great Britain and on the Continent.

XI. On March 17, 1896, the House of Representatives

passed an amendment to the customs administrative act abolishing all margin for undervaluation and providing for additional duties at the point where the appraised value exceeds the invoiced value, changes suggested by the Secretary of the Treasury, the Board of General Appraisers, and the Commission appointed by Secretary Carlisle. No action, however, was taken by the Senate.

XII. The margin of 10 per cent was finally taken away by the law as amended in 1897, the importer being required to state the correct value.

XIII. Complaint having been made that the amended act of 1897 was too severe, in 1906 when Germany was pressing for modifications and the Committee on Ways and Means was hearing testimony neither the Secretary of the Treasury, the General Appraisers, nor any witness or bill before the Committee suggested an unconditional return to the 10 per cent margin permitted by the act of June 10, 1890. Even the representative of the importers and the Customs Committee of the Merchants' Association of New York asked for only half that margin.

XIV. In spite of past experience under a 10 per cent margin its condemnation by Commissions, Committees, and Secretaries of the Treasury familiar with the wrongs committed under the privilege, the return to the old margin is recommended to Congress by the Commission to Germany without furnishing a single reason for this reversal of policy.

XV. The privilege of undervaluation up to 10 per cent is especially advantageous to importers bringing into the country manufactures subject to an *ad valorem* duty. In cases where the statutes provide for dividing lines of value the rewards for undervaluation are most attractive, the injury done the honest importer and the domestic manufacturer is the most effective, and the loss to the federal revenue is the greatest.

XVI. Unless conclusive reasons for this retrograde step are furnished it would be unsafe and unwise to make the concession.

National Association of Wool Manufacturers.

FORTY-THIRD ANNUAL MEETING.

ON Tuesday, July 21, the adjourned annual meeting of the National Association of Wool Manufacturers was held at the Eastern Yacht Club, Marblehead Neck.

The regular meeting, which is usually held the first Wednesday in February, was postponed this year for various reasons, and a change from the usual winter banquet with set speeches seemed fitting for this more informal mid-summer season. President Whitman's suggestion of an excursion by water to the seashore with a dinner there was heartily approved by the executive committee at a meeting held in Boston, June 29, and since he himself generously provided the comfortable steamer, General Lincoln, stored with refreshments for the trip, and the excellent 8th Regiment Band of Lynn to enliven the time with music, all the "ingredients," as the Irishman said, were on hand for a delightful day.

About one hundred and twenty-five members and friends were at Otis wharf at the appointed hour, 9.15 A.M., but a thick fog which enveloped the harbor delayed the start for a half hour or more, so that it was approaching ten o'clock before the boat cast off.

As the outer bay was reached, the fog was lifting, the sun was burning through the mist, and a rare east breeze sprang up, a welcome refreshment to men who had suffered for days in a hot spell entirely too long drawn out for Boston's reputation for perfect summer weather.

The sail along the shore, passing Nahant and Swampscott with their fine beaches and beautiful residences close to the ocean, was a treat indeed, for the day turned out to be a perfect one, with weather conditions evidently made for the occasion, and the sea was so quiet that no undue undulations disturbed the equanimity of the most sensitive. The delay in starting prevented the steamer going as far down the coast as Gloucester, as was intended, but there was time to

take a look at the harbor of old Salem, the one-time commercial rival of Boston, to skirt the wonderful Beverly shore, and obtain glimpses, here and there, of the fine estates, old and new, which make that stretch of wooded land almost a paradise. The rapidly passing time admonished the captain that the hour for dinner was near at hand, and though the tonic of the sea air was beginning to make it seem a welcome event, the steamer's course was somewhat reluctantly laid towards Marblehead harbor, where after calling into service numerous launches all were landed at the club house at 1.15 P.M., where the formal meeting of the Association was held. As the dinner was ready to be served and all present were ready for it, the business was transacted speedily.

ANNUAL MEETING.

The meeting was called to order by President Whitman.

On motion the reading of the records of the last annual meeting was dispensed with, a full report having been printed in the Bulletin.

Owing to the lack of time the secretary's report was not read, but was ordered to be printed.

The report of the treasurer, which had been audited according to the by-laws, was read and approved. It showed that all bills had been paid and that there was a comfortable balance in the treasury.

The report of the nominating committee was read as follows :

PRESIDENT.

WILLIAM WHITMAN Boston, Mass.

VICE-PRESIDENTS.

CHARLES H. HARDING Philadelphia, Pa.

WILLIAM M. WOOD Boston, Mass.

FREDERIC S. CLARK No. Billerica, Mass.

SECRETARY AND TREASURER.

JOHN BRUCE MCPHERSON Boston, Mass.

EXECUTIVE COMMITTEE.

JOHN N. CARPENDER	New Brunswick, N.J.
JAMES DOBSON	Philadelphia, Pa.
JOSEPH METCALF	Holyoke, Mass.
ABIEL J. ABBOT	Graniteville, Mass.
JOHN P. WOOD	Philadelphia, Pa.
WILLIAM C. GREENE	Peace Dale, R.I.
CHARLES A. STOTT	Lowell, Mass.
THOMAS OAKES	Bloomfield, N.J.
WILLIAM BLOODGOOD	New York, N.Y.
JOHN HOPEWELL	Boston, Mass.
GEORGE E. KUNHARDT	Lawrence, Mass.
A. PARK HAMMOND	Rockville, Conn.
J. R. MACCOLL	Pawtucket, R.I.
FRANCIS T. MAXWELL	Rockville, Conn.
J. F. MAYNARD	Utica, N.Y.

STANDING COMMITTEES.

Finance.

LOUIS B. GOODALL	Sanford, Me.
FREDERICK C. FLETCHER	Providence, R.I.
C. W. LEONARD	Boston, Mass.
ANDREW ADIE	Boston, Mass.
SAMUEL RINDGE	Boston, Mass.

Statistics.

H. G. B. FISHER	No. Adams, Mass.
A. ALBERT SACK	Providence, R.I.
H. A. FRANCIS	Pittsfield, Mass.
WM. M. CHASE	Leominster, Mass.
N. F. GREELEY	Boston, Mass.

Raw Material.

A. J. ROOT	Cohoes, N.Y.
GORDON DOBSON	Pittsfield, Me.
WM. R. CORDINGLEY	Boston, Mass.
CHAS. B. ROCKWELL	Bristol, R I.
GEO. W. BENEDICT	Boston, Mass.

Machinery.

CHAS. H. HUTCHINS	Worcester, Mass.
B. F. MELLOR	Plymouth, Mass.
GEORGE G. DAVIS	No. Andover, Mass.
GEORGE M. BASSETT	Worcester, Mass.
GEORGE O. DRAPER	Hopedale, Mass.

Upon motion the report was accepted and the secretary was directed to cast one ballot for officers as named in the list. This was done and the president declared them elected for the current year.

President Whitman announced the death of Mr. Amasa Clarke, a well-known member, who passed away during the past year, and offered the appended resolution in appreciation of him :

AMASA CLARKE.

In the death of Amasa Clarke, who passed away at his home in Brookline October 26, 1907, the National Association of Wool Manufacturers lost a valued member.

During the Civil War, while in early manhood, Mr. Clarke served his country as a soldier in the 44th Massachusetts Regiment. Soon after the war he became the agent of the Norway Plains Company and of the Waumbeck Mills, later becoming their treasurer. Since 1897 he was the treasurer of the Winthrop Mills Company and the Clinton Mills Company, positions he held at the time of his death. For more than ten years he was a member of the National Association of Wool Manufacturers, in whose work he was deeply interested, frequently serving on its committees, and in 1903 becoming chairman of its finance committee, in which position he served continuously until his death.

As a husband his home life was ideal. As a business man he was an example of uprightness and integrity. As a manufacturer he was far-sighted and successful.

Steadfast in his friendships, genial and companionable in his intercourse with men, he will be deeply missed by the members of this Association in their business and social meetings, for by his sound counsel and lovable traits of character he had found a large place in their esteem and affection.

Resolved, That this expression of appreciation be entered on the records of the Association and a copy be sent to the widow.

This was adopted by a rising vote, after which, there being no other business, the meeting adjourned.

THE LUNCHEON.

Immediately, thereafter, the dining-room was sought, where around many tables the following were seated to enjoy the excellent luncheon served:

AT THE GUESTS' TABLE.

With President Whitman at the guests' table the following were seated:

Hon. Carroll D. Wright, President, Clark University, Worcester, Mass.
 Col. Albert Clarke, Secretary, Home Market Club, Boston.
 Edward Stanwood, Secretary, Arkwright Club, Boston.
 C. J. H. Woodbury, Secretary, National Association Cotton Manufacturers, Boston.
 C. J. Bodfish, Managing Secretary, American Woolen Co., Boston.
 J. F. Maynard, Treasurer, Globe Woolen Co., Utica, N.Y.
 John Hopewell, of L. C. Chase & Co., Boston.
 F. T. Maxwell, President, Hockanum Mills Co., Rockville, Conn.
 Joseph Koshland, J. Koshland & Co., Boston.
 George E. Kunhardt, Lawrence, Mass.
 J. F. Brown, of Brown & Adams, Boston.
 Frederic S. Clark, Treasurer, Talbot Mills, North Billerica, Mass.
 Andrew Adie, Treasurer, Moore Spinning Co., Boston.
 John B. McPherson, Secretary, National Association Wool Manufacturers.
 W. J. Battison, General Agent, National Association Wool Manufacturers.

OTHER MEMBERS PRESENT.

The following were the other members and guests present:

Louis Baer, Eiseman Bros., Boston.
 James G. Bailey, Jr., Labor Agent, American Woolen Co.
 C. F. Bankhart, Harding, Whitman & Co.
 H. O. Barnes, "Textile Manufacturers Journal."
 R. S. Bartlett, Assistant Sales Secretary, American Woolen Co.
 S. Bartlett, Slater Woolen Co., Webster, Mass.
 Wm. Batchelder, Goodall Worsted Co.
 G. W. Benedict, Boston.
 Ernest Braithwait, Harding, Whitman & Co., Boston.
 Harry W. Butterworth, H. W. Butterworth & Sons Co.
 E. B. Carlton, E. B. Carlton & Co., Boston.
 Horace A. Carter, Treasurer, Wm. Carter Co., Highlandville, Mass.
 F. H. Carpenter, Agent, Weybosset Mills, American Woolen Co.

- C. H. Clark, "Textile Manufacturers Journal."
 T. J. Clextan, A. Klipstein & Co.
 E. P. Collier, Mauger & Avery, Boston.
 Frank B. Comins, Treasurer, American Moistening Co.
 W. R. Cordingley, Treasurer, Woonsocket (R.I.) Worsted Mills.
 Thomas F. Crowe, Agent, Baltic Mills, American Woolen Co.
 Daniel J. Danker, Danker & Marston, Boston.
 Fred R. Dawson, Superintendent, Saxonville (Mass.) Mill.
 Philip A. Davis, Thomas H. Ball, Boston.
 Edwin M. Dodd, Hobbs, Taft & Co.
 E. H. Dorr, Secretary, Standish Worsted Co., Plymouth, Mass.
 Edward Dowse, Manchester, N.H.
 E. S. Dunn, Secretary and Treasurer, Dunn Worsted Mills, Woonsocket, R.I.
 Frank Eastwood, Superintendent, New England Co., Rockville, Conn.
 A. H. Eddy, Agent, Saranac Mills, American Woolen Co.
 L. Eisemann, Eisemann Bros., Boston.
 Wm. Firth, William Firth & Co.
 L. H. Fitch, Sales Agent, Moore Spinning Co.
 F. W. Freeman, General Manager, Etna Mills, Watertown, Mass.
 E. A. Gordon, American Woolen Co.
 Louis B. Goodall, Treasurer, Goodall Worsted Co., Sanford, Me.
 W. A. Guile, President and Treasurer, Earnscliffe Worsted Mills, Providence, R.I.
 W. A. Guile, Jr., Earnscliffe Worsted Mills, N.Y.
 George B. Hammond, New England Co., Rockville, Conn.
 A. Park Hammond, New England Co., Rockville, Conn.
 C. L. Harding, Harding, Whitman & Co., Boston.
 Harry Hartley, H. Hartley & Co., Boston.
 Wm. D. Hartshorne, Agent, Arlington Mills, Lawrence, Mass.
 E. L. Heath, Sales Secretary, American Woolen Co., Boston.
 Franklin W. Hobbs, Treasurer, Arlington Mills, Boston.
 Francis H. Holmes, New York.
 Prentiss Howard, Agent, Chase Mills, American Woolen Co., Webster, Mass.
 Francis Hoyer, President, Nasonville Woolen Co., Nasonville, R.I.
 O. L. Humphrey, Harding, Whitman & Co., Boston.
 E. N. Hunt, Treasurer, Roxbury Carpet Co., Boston.
 Edwin J. Hylan, Treasurer, Musketaquid Mills, Lowell, Mass.
 E. S. Hylan, Superintendent, New England Bunting Co., Lowell, Mass.
 James Ingram, Agent, Washington Mills, American Woolen Co., Lawrence, Mass.
 R. O. Ingram, Superintendent, Prospect Mills, American Woolen Co., Lawrence, Mass.
 Vaughan Jealous, Wool Buyer, American Woolen Co., Boston, Mass.
 W. E. Jones, Hallowell, Jones & Donald, Boston.

- G. Otto Kunhardt, George E. Kunhardt, Lawrence, Mass.
Walter M. Lamont, Agent, Wood Worsted Mills, American Woolen Co., Lawrence, Mass.
Wm. Lasbury, Agent, Beoli Mills, American Woolen Co., Fitchburg, Mass.
H. Bradford Lewis, E. Frank Lewis, Lawrence, Mass.
J. W. Levering, Erben, Harding & Co., Philadelphia, Pa.
Geo. P. Levey, Black River Woolen Co., Ludlow, Vt.
Jas. W. Lister, Centredale (R.I.) Worsted Mills.
Charles S. Lord, Winooski River Mills, American Woolen Co.
J. P. Marston, Danker & Marston, Boston.
Wm. Maxwell, Secretary and Treasurer, Hockanum Mills Co., Rockville, Conn.
Edward Porter May, Jeremiah Williams & Co., Boston, Mass.
B. F. Mellor, Standish Worsted Co., Plymouth, Mass.
John T. Mercer.
Geo. P. Newell, Livingston Worsted Co., Washington, R.I.
C. P. Nunn, Dewey, Gould & Co., Boston.
Wm. S. Nutter, Assistant Manager, Goodall Worsted Co., Sanford, Me.
W. W. Ollensdorf, Manager, Shoddy Department, American Woolen Co., Boston.
J. Earle Parker, Harding, Whitman & Co., Boston.
A. B. Paton, Agent, Sawyer Mills, American Woolen Co., Dover, N.H.
F. N. Perkins, Boston.
H. J. Potter, Purchasing Agent, American Woolen Co., Boston.
Wm. Price, Arlington Mills, Lawrence, Mass.
Charles A. R. Ray, President, Norfolk Woolen Co., Franklin, Mass.
Samuel Rindge, President, Stirling Mills, Lowell, Mass., and Parker Wilder & Co., Boston.
C. B. Rockwell, Treasurer, Cranston Worsted Co., Bristol, R.I.
Bradley M. Rockwood, Treasurer, Norfolk Woolen Co., Franklin, Mass.
H. W. Reed, Badische Co., Boston.
R. J. Salter, Salter Bros. & Co., Boston.
C. B. Smith, Star Worsted Co., Fitchburg, Mass.
George W. Smith, Agent, Valley Mills, American Woolen Co., Providence, R.I.
Robert H. Stevenson, Jr., Farnsworth, Thayer & Stevenson, Boston.
O. L. Suenderhauf, Agent, Beaver Brook Mills, American Woolen Co., Collinsville, Mass.
A. W. Sulloway, Sulloway Mills, Franklin Falls, N.H.
F. Swindell, Rock Manufacturing Co., Rockville, Conn.
Wm. J. Tait, Geo. E. Kunhardt, Lawrence, Mass.
Joseph F. Talbot, Superintendent, Talbot Mills, No. Billerica, Mass.
Fred G. Thomas, Agent, Bay State Mills, American Woolen Co., Lowell, Mass.

E. W. Tinkham, Treasurer, Wm. Tinkham Co., Harrisville, R.I.
 W. W. Weeden, Agent, Manton Mills, American Woolen Co., Manton, R.I.
 Malcolm D. Whitman, Harding, Whitman & Co., Boston.
 Edwin Wilcock, Boston.
 Otis P. Wood, Agent, Puritan Mills, American Woolen Co., Plymouth, Mass.
 John T. Mercer, Arlington Mills, Lawrence, Mass.
 Wm. B. Gardner, Superintendent "Top Mill," Arlington Mills, Lawrence, Mass.
 W. R. Reed, Mauger & Avery, Boston.
 A. B. Greenough, Patterson & Greenough, Waterloo (N.Y.) Woolen Manufacturing Co.
 Joseph R. Grundy, W. H. Grundy & Co., Philadelphia, Pa.
 Sumner Clement, Soule & Co., Boston.
 Wm. V. Leech, Frank C. Morse, H. A. Phinney, Ferdinand Strauss, Augustus P. Thompson, George H. Waterman and others.

The dinner over, President Whitman addressed to the guests a few words of welcome. In the course of his impromptu remarks, he spoke in part as follows:

It is with unusual pleasure that I welcome the friends and guests of the Association to this, our first outing. Because of the social character of the occasion and also because of the lack of time the speaking will be short and entirely informal. Heretofore when I have addressed the Association at our regular annual meetings my remarks have been carefully prepared, but for this occasion I have not prepared anything. I could talk, however, for hours of this beautiful coast, unsurpassed in this or any other country. Some years ago as a member of the Commercial Club of Boston I came here when we entertained similar bodies from Cincinnati and St. Louis, and with the recollection of that delightful occasion fresh in my mind, when it was suggested that this meeting should take the form of an outing I immediately thought of this place, Marblehead Neck, as the most suitable.

Under existing conditions, I am glad to see so many are willing to give a day to recreation. All business men need recreation, and I am sure that such occasions must bring them near together and that the cordial social relations engendered must stimulate more harmonious business relations.

The old adage is that "competition is the life of trade." Competition may be that under certain conditions, but there is a kind

of competition that is ruinous, and in which none of us should engage. Fair competition in business is all right and can never endanger those friendly relations which should always exist among business men.

Mr. Whitman expressed confidence in the future of this country, saying that there is no limit to the power and capacity of the American people. The man who builds on the future is always the successful man. He referred to the threatened assault upon the tariff and expressed the opinion that no legislation inimical to this country's industries can pass the Congress. In concluding his remarks President Whitman stated that Marblehead Neck having no mayor he would call upon one of the oldest summer residents to welcome the Association to the town, and introduced the Hon. Carroll D. Wright, President of Clark College, who said:

MR. PRESIDENT AND GENTLEMEN: As one of the old summer residents of Marblehead Neck, it gives me great pleasure to welcome you to what the president has fitly called this historic place. It is historic. During the early period of the Revolutionary War British troops were camped where we now are. Marbleheaders were among the first to engage in that contest and they harried the enemy encamped here. They were engaged in the French War prior to the Revolution, and across the harbor Fort Sewall was erected. Tradition has it, and I believe the tradition has been verified, that the majority of the crew which rowed Washington across the Delaware were Marblehead men. The first recruits for the War of 1812 came from here, and so in the Civil War and the late war with Spain, Marblehead men were among the very first to respond to the call for troops. It is indeed historic ground.

Again, the residents of the neck constitute an industrial community, for here are men representing many phases of business life: manufacturers, merchants, bankers, and professional men. You are at home among them. I welcome you because I have been interested in your Association. I do not recall how long ago you and I, Mr. President, coöperated in some of the important work in which you are engaged.

The president has referred to the proposed revision of the tariff. Do not fear it. I remember well when the Wilson bill was

being constructed, a member of Congress, your friend but not a member of this Association, was on the Committee on Ways and Means. I knew him well and as I had just made an investigation relative to the cost of producing textiles in this and other countries, he came to me as the woolen schedules were committed to him. We worked together nights and Sundays. Sometimes when we came to an article on which I had made report he would say, "What duty will this article stand?" and when I would quote comparative costs and say that such a rate would be safe, he would invariably answer, "I think that a little too low, we will leave it as it stands." He was a good Democrat, but he did not wish to see the industry in which he was engaged injured in the least. And you remember the great free trade speech of Senator Pugh of Alabama. He advocated free trade in everything till he came near the close of his speech to iron, an industry that was being developed in his State, and then he said, "But iron, Mr. President, is an exception; its development demands a duty. It would be wrong to admit it free." About that time, or a little before, some rice growers from South Carolina came to my office to obtain some facts as to the rice industry. They were urging a very high rate on rice. I said, "I thought you were free-traders." "We are," was the answer, "but free trade in rice would ruin our industry."

So it is all along the line. Mere experiences teach me that both parties, acting together, cannot so revise the tariff as to injure any great industry. You are right, Mr. President, no party would dare to ruin or even injure one of them. Some injustices and incongruities need attention, but the great interests of the country will be preserved and fostered. When sociological conditions throughout competing countries are more nearly equal there may be some radical reductions, but not till then.

Under all these considerations I bid you a hearty welcome and a hearty God-speed in your work and interests.

After Colonel Wright had concluded, the well-known secretary of the Home Market Club, Colonel Albert Clarke, was introduced.

After a few pleasantries Colonel Clarke, having referred to the toy lamb which in one course was served, said he wished to pay his respects to Mary's little lamb. When Consul William Jarvis

brought the first merinos in 1810 the number of fibers of wool to the square inch was 40,000. Under the careful nurture and skilled culture which they have received here, the number of fibers to the square inch has been increased to 222,000. This illustrates the importance of being in good company. A policy which has thus improved the sheep justifies the policy of protecting wool. Nothing can be of greater importance to the wool manufacturer than a large and dependable supply of domestic wool. Fortunately, under the able management which has for many years characterized the National Association of Wool Manufacturers, just and equitable understandings with the wool growers have been reached, so that both interests and the interests of the consumer (always a large concern of Congress) have been fairly guarded by the tariffs that have been enacted by the party of protection, and he believed such will be the case in the coming revision. He congratulated the Association on having at its head one so skilled in tariff matters and in the technicalities of the manufacture as President Whitman, and he was glad to hear the optimistic expressions of Mr. Whitman in regard to the coming revision. The tariff ought to be revised upon the basis of the facts which will be found by the committees of Congress. Those facts will show that both wool and woolens have made such progress as to justify their continued protection. There has been a great deal of loose tariff talk, but he rejoiced that the time has now come when everything has got to be subjected to the test of facts, and if Congress legislates accordingly it will not be long before all the mill wheels will be again turning.

On the conclusion of Colonel Clarke's remarks, Mr. John Hopewell secured the floor and proposed a hearty vote of thanks to President Whitman, the host of the day, whose liberality had made possible the outing and its attendant pleasures. This was passed with a unanimity that showed how sincere was the appreciation of the president's hospitality.

The meeting was then declared adjourned; and after lingering on the spacious verandas of the club house for a short time, the party reëmbarked on the General Lincoln and started for Boston at 4 o'clock, reaching the city two hours later, enthusiastic over the occasion and regretful that the festivities of the day were ended.

ANNUAL REPORT OF THE SECRETARY.

To the Members of the National Association of Wool Manufacturers :

In accordance with the By-Laws of the Association, the Secretary herewith submits his report for the year ending the first Wednesday of February last, but extended to date.

It may be cheerful news to you gentlemen that this report will be as brief as possible and detain you but a short time from the more festive features of the day.

The year 1906 was one of excellent returns to the industries of the country, and at the opening of the year under review all indications pointed to a continuance of the prosperity which had extended over the past ten years, during which labor was generally employed and generously remunerated, while the mills were running to their full capacity, oftentimes working double shifts to meet orders.

In the early autumn a financial panic starting in New York swept with remarkable swiftness over the country, leaving in its train marked reduction of values, radical withdrawal of ordinary bank credits, wide cancellation of orders, and a business depression, more general than any experienced since 1893, which caused whirring machinery to stop, idle freight cars to accumulate, and a spirit of apprehension and fear to find lodgment in the minds of the people, seriously affecting business interests not only in this country but also in Europe. Even at this date, though there are indications of improved conditions, confidence has not been wholly reëstablished, some fear still remaining to delay the return of normal conditions. It is not necessary to assign reasons for this unexpected period of depression, our purpose being accomplished when its existence is recorded. Whatever its causes, the fact is that the industries of the country were in a sound condition. Although for some years new mills had been erected and expansion had occurred to meet the demands for larger output, there were no signs of overproduction. On the contrary, manufacturers were so crowded

with orders that the task of keeping production on equal terms with the demands of consumers was a difficult one. During these years the wool manufacture as a whole had enjoyed a prosperity which, when the depression arrived, enabled it to withstand the strain and emerge from the worst of it without serious disaster, a fact upon which it is to be highly congratulated. Conservatism had marked the course of those guiding the affairs of the industry, and whatever suffering has been experienced must be attributed to causes wholly disconnected with the wool manufacture, for its condition was inherently sound.

So great had been the activity in the wool manufacture that prices of raw material had been advancing steadily for several years, notwithstanding that supplies of wool, owing chiefly to the recuperation of the Australian flocks, had been increasing. Speculation and an artificial elevation of prices were lacking, the increased cost being due to the requirements of wool users the world over. Along with these higher prices came increased wages for operatives, both adding to the cost of production, while at the same time the manufacturer found it difficult to secure satisfactory increases in the price of his fabrics.

To some the difficulties of mill management were so trying that a lull in the prevailing prosperity was not unwelcome, since, in their view, it might bring opportunity for re-adjustment of values and a new start on another period of prosperity, such men holding that our progress had been too rapid for our lasting good. Those who at first looked with equanimity upon some cessation of activity have had ample time to realize the effects of the depression and to weigh its advantages and disadvantages.

It is not a question now of too much prosperity but whether business enough is being transacted to enable mill owners not to pay dividends or make large profits but simply to make their running expenses, and the year must be set down as one of the leanest experienced for a decade.

GERMAN AGREEMENT.

One feature of the year was the consummation of an agreement with Germany by which, in return for changes in the customs administrative law the United States was given the benefit of Germany's conventional tariff. In this agreement, which was looked upon with much suspicion and caused much apprehension, a promise was made,—and to our mind it was one of the worst features of the agreement,—that the President would urge Congress to amend the law so that the importers would have a margin of 10 per cent for undervaluation of imported merchandise. So large a margin as 10 per cent has been condemned by many Secretaries of the Treasury, the Tariff Commission of 1882, the Senate Finance Committee in 1888 and 1889, a commission appointed in 1893 to report to Secretary Carlisle, and the General Appraisers. Notwithstanding this unanimity against the 10 per cent margin, under which great frauds were committed against the revenues of the Government, the law was on the statute books for nearly fifty years, and it was only after an arduous struggle in which this Association took an active part that some relief was secured. But now it is proposed to wipe out much of the restrictive legislation of the past fifteen years and return to the old margin, giving greater freedom to the importers and enabling them to amass fortunes at the expense of the Government and crush honest competitors trying to return the proper duties to the Treasury. The striking fact in the fight for this privilege to the consigning foreign exporter is, that the margin asked by the committee of the Merchants Association of New York is only half that promised the Germans, and in recommending 5 per cent this committee declared to the Committee on Ways and Means that they represented not only their own views but those of the importers themselves.

This Association, keeping in mind the difficulty of finding two experts who would agree closely as to the value of articles, has never advocated what have been termed the rigors of the present law. On the contrary, it has always stood for a 5 per cent margin as being a fair allowance, and

it is a satisfaction to note that the same limit is suggested by the representatives of the importers, showing that in this matter the Association has taken a reasonable position.

We believe there are men in each house of Congress who, knowing the facts developed by the numerous investigations of undervaluations in the past twenty years, will hesitate long before agreeing to return to conditions then existing. It was a shrewd move to include this demand in the agreement, which, if granted, will be worth more to the German exporters than all the other concessions yielded in the agreement, and they have not been without their value. When tariff revision comes not only will the schedules be attacked but also the law which helps to guard from undue foreign competition those whose interests are protected by the tariff. Whether the schedules are to be reduced or kept approximately where they are, a concession of 10 per cent for undervaluation will be a most efficient help to the foreign rival to force millions of additional yards of textiles into this coveted market, in which even under the present tariff a tremendous quantity of foreign fabrics yearly finds a sale. But under such a privilege as the 10 per cent undervaluation the contest takes place in the dark, on uneven terms, and victory cannot perch on any banner but that of the undervaluer whom we have with us always. A serious condition will again confront the American manufacturer if this feature of the German agreement is forced through Congress. Fortunately the question is not one on which men divide on party lines; nor is it a new question, but one which has been examined so frequently and so minutely that an appeal to the records will furnish sufficient evidence to convince the most doubtful that in the opinion of those who have made a study, at close hand, of this undervaluation evil no such margin as 10 per cent should be granted.

LABOR LEGISLATION.

The demands for legislation to restrict the employment of child labor, to limit the right to issue injunctions in labor disputes, to regulate the hours of labor of those employed on

Government work and the limiting of such labor to eight hours have been most persistent during the last session of Congress. The proposal to limit the hours of labor on Government contracts means much to those who undertake that class of work, particularly in the textile manufacture in which it would be impossible to operate a factory partly on Government contracts and partly for the general market. Heretofore this Association has taken but a limited part in such discussions and the question whether or not its scope of work should be broadened to include coöperation with other bodies in opposition to such radical legislation is submitted for your consideration.

THE SILK PROVISIO.

During the past year a decision has been rendered by the United States Court of Appeals for the Eighth Circuit in a case (Scruggs, Vandervoort & Barney) involving the construction of the proviso attached to paragraph 391 of the Silk Schedule, which reads as follows :

All manufactures of silk, or of which silk is the component material of chief value, including such as have India-rubber as a component material, not specially provided for in this Act, and all Jacquard figured goods in the piece, made on looms, of which silk is the component material of chief value, dyed in the yarn, and containing two or more colors in the filling, fifty per centum ad valorem: *Provided*, That all manufactures, of which wool is a component material, shall be classified and assessed for duty as manufactures of wool.

The importation referred to consisted of woven fabrics in the piece, being women's and children's dress goods composed of silk and wool, and it was a question whether they should be classified and assessed for duty as manufactures of wool under paragraph 369 of Schedule K, or under paragraph 387 of the Silk Schedule. The collector had classified the importation under paragraph 369, which ruling, upon appeal to the General Appraisers, was reversed and the protest of the importers sustained, the General Appraisers holding that the goods should have been classified under paragraph 387 of

the Silk Schedule. Inasmuch as this case was the one to which the attention of the Treasury Department was called by this Association, it may be well to examine the arguments for and against the contention of the Government. Since 1900 decisions have been made in which various constructions have been placed upon this proviso by courts of equal jurisdiction, one judge holding that it should apply to all manufactures of which wool is a component material, but it was not infrequently ruled that the words of the proviso did not include "all manufactures of which wool is a component material" and should be restricted to the paragraph to which the proviso is attached. Rulings had been made by courts of equal standing when this case of "Seruggs, Vandervoort & Barney" came up for decision, it being an important case because some of the goods contained 60.1 per cent of wool. While the Appellate Court refused to limit the application of the proviso to the immediate paragraph to which it was attached, it also refused to concede the contention of the Government that it should apply to all manufactures of wool, Judge Adams holding with Judge Lowell that the intention of Congress was to limit it to fabrics part of silk and part of wool, and that all manufactures embraced in the Silk Schedule of which wool is a component material should be classified as manufactures of wool.

It is announced, however, that the importers are not satisfied with the decision and that another importation will be made in a different circuit so that the question may be brought before another court.

As matters stand under the decision the American manufacturer making flax-wool and cotton-wool fabrics must pay duty on the wool entering such fabric, but the importer is able to bring into the country similar goods, paying only the ad valorem, and avoiding the compensatory wool duties, an advantage against which our manufacturers cannot long compete. On the other hand, when the combination is of silk and wool, the fabrics, under the ruling of the courts, are to be classified as manufactures of wool and the compensatory duty is applied. Thus, neither the counsel for the United

States, who argued that all fabrics, of which wool is a component material, should be classified as manufactures of wool: nor those for the importers, who urged that the proviso was to be construed only in connection with the paragraph to which it is attached relating to unenumerated articles not specially provided for, secured a decision supporting their original contentions. In our opinion the contention of the Government was in accord with the intent of Congress in framing the law, and when an opportunity occurs the law should be so changed as to carry out that purpose.

LOW GRADE WOOLENS.

An effort was also made during the year to import goods composed in part of cow or calf hair and in part of wool under the low duty of 20 per cent ad valorem as manufactures not especially provided for under paragraph 6 of the Dingley law. The matter was called to our attention and President Whitman asked for a reconsideration of the question by the Board of General Appraisers. This was granted with the result that the goods have been reclassified as manufactures of wool, dutiable under paragraph 366. This was an important point gained, for under a 20 per cent duty it would have been possible to import immense quantities of these goods, which were intended for cloakings, at a price with which our American manufacturers of low-priced goods could not compete.

THE PREPARATION OF WOOL FOR MARKET.

As a result of a correspondence between the Secretary of the National Wool Growers Association and your Secretary, a committee representing the wool growers association came to Boston early in March for a conference with the purpose of attempting to secure the better preparation of the domestic wool for market. The meeting was held in the office of our Association and was attended by a number of leading manufacturers and prominent wool dealers.

The questions of defective preparation and possible improvement in methods of tying up and packing wool for

market were gone over, the annoyances and losses suffered by manufacturers because the domestic fleeces are prepared in so careless a manner were fully pointed out to the representatives of the producers and special emphasis was placed on the necessity of reform in the use of twines for tying fleeces. Their attention was also called to the dirty condition of fleeces, locks and stained pieces not being properly removed and foreign matter, dirt and even stones, sometimes of several pounds weight, being wrapped up to be sold at the price of wool.

The meeting was of great interest and attracted much attention, and soon thereafter leading establishments in the trade sent letters to their correspondents calling attention to these abuses, recommending the use of proper twines and in some cases going so far as to refuse to buy wools improperly tied. Arrangements are in progress with the Secretary of the Wool Growers Association by which in the near future the wool growers of the country will individually have their attention called to the necessity of abandoning the use of sisal twine in tying the fleeces. They will be urged to use proper twine, to separate the tags from the fleeces, keep black wool and buck fleeces by themselves and eliminate all foreign matter from the packs.

Many attempts have been made in years past to remedy these difficulties, but with only meager results. The present effort seems much more promising, for in the judgment of users and purchasers the time has come for the accomplishment of reforms that will benefit not only the wool manufacturer, but the wool grower as well.

DUTY ON OLIVE OIL FOR MANUFACTURING PURPOSES.

It is well known that olive oil is the most suitable lubricant for wool that has been scoured, in preparing it for the card and comb, although in some cases other oils are used.

In the formulation of the tariff law of 1897 this fact was recognized and a provision was made for the admission, at a low rate of duty, of olive oil of inferior quality suitable for mechanical and manufacturing purposes, but not of an edible

character. In the early part of the year certain oil imported for manufacturing uses was assessed at the higher rate of duty provided for edible oil, because it seemed to be sweeter to the taste and finer in character than manufacturing oil as ordinarily imported. The importer protested against this assessment and the attention of the Secretary of the Treasury was called by this Association to the injustice to which the manufacturer would be subjected should this high rate of duty be sustained. The contention of the importer of the oil was finally sustained before the Board of General Appraisers.

In the meantime in correspondence between the Secretary of the Treasury and this Association, it became apparent that if a suitable denaturant could be used to make sure that the low grade oil would be used only for manufacturing or mechanical purposes, it would be acceptable to the Government officials, and we were requested to ascertain the views of the manufacturers as to the most suitable material for such purposes. Extensive correspondence was entered into, but the conclusion has not as yet been reached. The Government has agreed, however, that the denaturant may be mixed with the olive oil after, instead of before, importation, as under previous rulings, which is an important advantage to the American importer.

TARIFF REVISION.

After an interval of eleven years, during which the industries of the country, unimpeded and unharassed by the fear of tariff revision, have made great progress, the agitation for an overhauling of the schedules has reached such a stage that the two great parties are now committed to early revision. One party endorses the protective tariff, and lays down the principle that duties should be sufficient to compensate for the difference between the cost of production here and abroad, together with a reasonable profit, while the other favors the reduction of duties to a purely revenue basis. Committees of Congress have been authorized to gather statistics.

Mr. Aldrich, from the Committee on Finance, reported the following resolution which was agreed to:

Resolved, That the Committee on Finance are authorized in connection with investigations heretofore ordered by the Senate, with a view of promptly securing the information necessary for an intelligent revision of the customs laws of the United States, to call to their assistance experts in the Executive Departments of the Government, and to employ such other assistants as they shall require; and they are especially directed to report what further legislation is necessary to secure equitable treatment for the agricultural and other products of the United States in foreign countries; and they shall also, in consideration of changes of rates, secure proof of the relative cost of production in this and in principal competing foreign countries of the various articles of the tariff upon which changes in rates are desirable.

A similar resolution was also adopted in the House of Representatives.

In pursuance of these resolutions officials of certain Government departments are making a careful study of Treasury decisions affecting the classification of various items under the present law, while American Consuls have been asked to collect figures showing cost of production in the mills abroad. This, it can be easily seen, is a most difficult task. Unless the data can be obtained from a sufficient number of mills working under approximately the same conditions and producing practically identical fabrics, satisfactory comparisons will be difficult if not impossible, and the result must necessarily be of questionable value.

While as yet little has been said about the duties in Schedule K, it is not likely, judging from past experience, that any revision will leave untouched a schedule about which so many arduous struggles have been waged in the revisions of the past. Schedule K of the Dingley Act was so skilfully and carefully drawn that few decisions of any moment against what is believed to be the intent of the framers have been rendered. During its life fewer successful efforts to drive holes into it have been made than with any of its predecessors, which speaks well for the thorough work done at the last revision. Few decisions have been rendered which seem out of harmony with the spirit of the law —

protection to the wool grower and to the manufacturer, protection and compensation for the wool duties.

In any revision of Schedule K it will devolve in great measure upon this Association to make known to the framers of the new law the needs of the industry and the dangers to which it may be exposed by changes in the law. Whether the one idea of adequate protection, or the other, of a tariff for revenue only, prevails, there will be ample work on hand to furnish facts for the committees framing the bills. What the future holds no one can foresee, but those in the wool industry who bore the brunt of the strain of the legislation of 1890-1897 are not anxious to have those trying years repeated. They must necessarily look forward to the future with some concern until this important question is settled. Radical attacks on the tariff may be successful, as they have been in the past, but with a flood of foreign imports crippling domestic industries, those who advocate tariff reduction may have reason to regret at leisure their action taken without careful consideration. Whatever crisis may arise will be faced and an honest effort made to save to the industry the opportunity to live in spite of all difficulties. As it will be necessary to explain and defend the needs of the wool manufacture before the appropriate committees of Congress, it will be the duty, as well as the pleasure, of your Secretary to collect the necessary data, and for this important work he pledges his best thought and effort, bespeaking also the coöperation of those whose wide information, accurate knowledge, and ripe experience enable them to furnish such facts as will add weight and value to the presentation.

The necrological roll this year while shorter than usual, has on it the name of Amasa Clarke, Treasurer of the Clinton Mills Company and the Winthrop Mills Company. Mr. Clarke was a member of the Association for more than a decade, and his death will be a distinct loss.

All of which is respectfully submitted.

JOHN BRUCE MCPHERSON,

Secretary.

Boston, July 21, 1908.

Obituary.

WILLIAM B. ALLISON.

ON August 4 the Hon. William B. Allison, senior United States Senator from Iowa, died at his home in Dubuque in his 80th year. Born of pioneer parents in a log cabin at Perry, Ohio, March 2, 1829, he secured his earliest instruction in the log cabin school in winter and worked on his father's farm in the summer. When he was sixteen years old he was sent to an academy at Wooster, Ohio, later going to Alleghany College at Meadville, Pa., and finishing his college training with a year spent in Western Reserve College. He studied law, settling first in Ashland, Ohio, where he soon took an active interest in politics. In 1855 he helped to nominate Salmon P. Chase for Governor of Ohio and the next year he supported Fremont for President. Several years later he removed to Dubuque, Iowa, where he soon became prominent politically. During the war he raised two regiments in 1861 and two in 1862, he himself being elected to Congress in the latter year and taking his seat March 3, 1863, along with James A. Garfield and James G. Blaine. For the next three terms he was reelected, serving until 1871. At the beginning of his second term he was placed on the Committee on Ways and Means, to which he was reappointed as long as he was a member of the House.

In 1872 he was appointed United States Senator to succeed Senator Harlan and took his seat March 4, 1873. He served continuously since that date, so that at his death he held the record for length of service there, exceeding the long service of both the late Senator Morrill, of Vermont, and Sherman, of Ohio. While his present term would have ended March 4, 1909, he had already been elected by the primary for another term, which, had he lived, would have ensured his service until 1915.

For more than thirty years he was a member of the Committee on Finance. Early in his service he became a member of the Committee on Appropriations, being its chairman since 1883. In 1888 as chairman of a sub-committee to revise the customs administration he reported the bill making a complete change of methods and the machinery for the classification and appraisement

of imports, which became the law of 1890. For many years Senator Allison was chairman of the Republican caucus of the Senate, and of the steering committee, the two positions virtually making him the technical leader of the Senate.

President Garfield offered him a seat in his cabinet, but he declined the proffer, although strongly urged to accept. During his long public life his reputation was maintained untarnished by the breath of scandal, his place in the appreciation and affection of the people of his State being shown by his defeat of Governor Cummins in the primaries for the Senatorship, an almost unprecedented tribute to so aged a man and one whose whole life had been spent in public office. He was one of the strong men of the Senate who served his country long and well, a quiet worker, who accomplished much by tact and left his impress on legislation. He was a wise counsellor and statesman, whose going will leave a void difficult to fill, a credit to his State and country.

Editorial and Industrial Miscellany.

THE MODERN ALCHEMIST.

By HON. JAMES WILSON, *Secretary of Agriculture.*

SEVERAL years ago when Sir Horace Plunkett, vice-president of the department of agriculture and technical institution for Ireland was in the United States studying problems relating to agriculture, he was deeply impressed with the results accomplished by our Department of Agriculture, especially in evidence since the Hon. James Wilson became its official head. In expressing his opinion of the work done by the Department Mr. Plunkett said, "I do not think that there is now any institution in the Old World which can show such an amazing record of progress as the United States Department of Agriculture."

Believing that the results achieved by the Department, which have challenged the attention of the world, are a part of the economic development of the country to which in the past too little attention has been paid, we are pleased to reprint, with the consent of Secretary Wilson and with the permission of the editor of the "National Geographic Magazine," the appended article entitled "A Modern Alchemist," which is a summary of the Secretary's Annual Report for 1907. It is a fitting complement to the article entitled, "America's Amazing Advance," which appeared in these pages in the issue for December, 1907. Mr. Wilson wrote:

The year 1907 has been a year of untoward conditions, requiring all the industry and skill of the farmers to grow an average crop. They have struggled not only with an erratic season, but with a scarcity of help in all the States and territories of the Union.

Such a year, with its hard winter — summer weather in March and late cold spring — gives exceptional emphasis to the wisdom of this department's policy of diversifying farm products and of establishing new crops. A general crop failure in a field as large as the chief part of the temperate zone of a continent must be a rare occurrence.

No general crop failure afflicts the farmer this year, not even within small areas. The production of the farms, all things considered, is well up to the average of the previous five years in

quantity, while its value to the farmer, as now appears at this annual day of reckoning, reaches a figure much above that of 1906, which by far exceeded any previous year's wealth production on farms.

Out of the farming operations of 1907 the railroads will get an average haul of freight, and foreign countries will take a heavy excess above home consumption. The farmer will have more to spend and more to invest than he ever before had out of his year's work.

THE DESERT FEEDS THE CITIES.

When the Department of Agriculture brought durum wheat to this country from Russia and Africa during 1899 to 1902, the seed was sown that formed practically the entire foundation of the present crop of durum wheat. At a cost of \$10,000 in the beginning, a crop worth \$30,000,000 now grows in regions of low rainfall, where in the day of stock ranges the steer roamed on 20 acres to find his cud. This crop has encroached on the home of the prairie dog and of the cactus. It has spread throughout a wide strip of country, extending from northern North Dakota to southeastern New Mexico and northwestern Texas. It is a common crop in Montana and Idaho and in parts of Washington, Oregon, and Utah.

Durum wheat has entered into home industries. To a considerable extent it is mixed with other wheat in making flour for bread. It is promoting the manufacture of macaroni and kindred paste products in this country and is prepared as a breakfast food. It is the grain through which the desert feeds the cities of the east at home and abroad.

As an export crop durum wheat has become prominent. In 1905 Europe took nearly 10,000,000 of the 20,000,000 bushels produced; in 1906 about 20,000,000 bushels of the crop of that year.

Last year two-thirds of the exports went to Mediterranean countries. The former sheep and cattle ranges sent macaroni material to Marseilles, Naples, and Venice; to Greece, Spain, and the countries of western Europe; and even to the old homes of durum wheat—northern Africa and Russia. Shipments of this wheat were made to 43 ports in Europe and Africa named in trade reports of the collectors of customs, and to other ports unnamed.

With an average production of about 15 bushels per acre, durum wheat this year covered an area of over 3,000,000 acres, many of them valueless for agriculture purposes before the advent of this new crop. Its value to the farmer is over twice the entire cost of the Department of Agriculture during the current fiscal year, including the Weather Bureau, the costly meat inspection, and the Forest Service.

RAPID DEVELOPMENT OF BEET SUGAR.

The beet-sugar industry has grown rapidly under aid and encouragement from the Department of Agriculture and the experiment stations and with favorable legislation by Congress and several State legislatures.

About 560 short tons of beet sugar were made yearly from 1879 to 1887; in 1891 the quantity was 6000 short tons; in 1906, 483,000 short tons, and in 1907, 500,000 short tons.

As an acquisition to agriculture, much may be said in favor of growing sugar beets for the factory. Tillage must be of the best and the soil fertile. The pulp of the beets, after the extraction of the sugar, is relished by livestock. The crop is grown under factory-contract conditions, and the farmer knows upon what he may depend for profit.

Sugar factories occupy a belt across the continent in the sugar-beet zone and a belt from Washington to Arizona along the Pacific coast.

In 16 States there were 64 factories in 1906, with a capacity of working 49,500 tons of beets daily. In the western States, the growing of sugar beets has proved to be so remunerative that sugar-beet farms increased in value \$42.49 per acre from 1900 to 1905, as determined by special investigation by the Department of Agriculture, or from \$99.47 per acre in 1900 to \$141.96 in 1905.

To the fostering of this industry by nation and States, it has responded by increasing the value of its production 543 per cent in nine years. The factory value of the refined sugar made in 1899 was \$7,000,000, and in 1907, \$45,000,000.¹

One-third of the value of the beet sugar made this year would be enough to pay the cost of the Department of Agriculture during the current fiscal year and the national expense of the sixty experiment stations of contiguous United States when they shall have received the ultimate appropriation of the Adams act.

LUXURIANT ALFALFA.

Alfalfa, that extraordinary plant for producing wealth and doing wonders to farms, is occupying an important place in the plans of the Department of Agriculture, the experiment stations, and the agricultural colleges. Through their efforts largely it has rapidly gained success in cultivation throughout a vast area. The value of the crop as hay this year is supposed to be \$100,000,000, and if the plans and efforts now under way to promote its extension receive a reasonable reward, the value of the future crop will be several times the present amount.

This forage plant is a chemical laboratory in which nitrogen is taken from the air. It is a soil improver of the highest merit.

¹ The raw cane-sugar mill production of 1907 is estimated at 389,000 short tons, with a factory value of \$28,000,000, the year 1904 alone exceeding this amount.

As a flesh-forming feed for growing livestock, and as a milk and egg producer, it is unexcelled by any plant of large production.

It grows $2\frac{1}{2}$ tons of hay to the acre as an average for the whole country where it is grown, or twice the average for all kinds of hay, and, besides this, is more nutritious than other hays.

The cultivation of alfalfa has been pressing eastward until now it has established itself as far as the longitude of eastern Kansas, except in southern Texas. It is established in some areas still farther to the eastward—in spots in Arkansas, in southern Wisconsin, northern Illinois, and northern Indiana, in the limestone regions of Kentucky and Tennessee, and in the southeastern corner of Michigan.

This plant is semi-established in Minnesota, Iowa, Missouri, Ohio and is making its way in Illinois and Indiana. Elsewhere the growing of this plant is mostly experimental, but with promise of success.

Further extension of alfalfa-growing on large areas is a prize that will be worth hundreds of millions of dollars yearly; and it will be won. What has already been secured aided in the rescue of the farm production of this year from the disasters of the weather.

VALUE OF THE DEPARTMENT'S WORK IN DOLLARS.

The foregoing striking features of the results of crop introduction and extension within the last few years are some of the illustrations of the wisdom of the great movement of the Department of Agriculture, of the experiment stations, and of the agricultural colleges, to fortify and buttress the agriculture of the nation against misfortune, and to give to it a sort of insurance by multiplying the sources of success. This policy has done much to keep the production of 1907 not only from disaster, but, all things considered, actually to keep it up to an average of recent years.

It is difficult to express in dollars the value of the work of the Department of Agriculture to farmers, and therefore to the nation, but an attempt to do so was made last winter for the Committee of the House of Representatives on Expenditures in the Department of Agriculture, which made a total of \$232,000,000.

Fundamentally the work of the department is concerned with the production of wealth, as by increasing a crop yield per acre by plant breeding; or the preservation of wealth, as by suppressing insect and fungous pests; or by enabling farmers to make a fair sale of their products, as by promoting coöperative selling or by giving to the public information of the size of a crop in order that demand may be fairly adjusted to supply.

FABULOUS WEALTH OF CORN.

Four-fifths of the world's production of corn, as nearly as can be determined, grows in the United States, and in the world's international trade in corn this country contributes one-third to one-half of the exports, not including the products of corn-fed animals.

Corn is the chief of crops and exceeds every other prominent agricultural factor of national prosperity. It is a human food and more especially a livestock feed, with striking results. It is one of the great motive powers in the food of an energetic age. The starch of corn becomes the fat of the hog and the "finish" of the steer. No meat products are so much in demand in international trade as animal fats and oils.

Fear of a failure or a large degree of failure of the corn crop this year diminished after midsummer and at last the harvest secured 2,553,732,000 bushels—a production that is almost exactly the average of the crops of the preceding five years. There have been three larger corn crops—those of 1899, 1905, and 1906.

In value the corn crop of this year is much above the high-water mark of 1906. On the assumption that the crop will be sold by farmers at an average price not below the present one, its value is estimated to be \$1,350,000,000, or 26 per cent above the average value of the previous five crops. Four crops before had exceeded one billion dollars in value.

The farm value of the corn crop of eight such years as 1907 would pay for duplicating every mile of steam railroads in the United States and pay for their costly terminals, rolling stock, and all property. In thirteen years it would replace the present banking power of this country in banking capital, surplus, deposits, and circulation, and in seventeen years it would replace the banking power of the world.

OUR COTTON UNRIVALLED.

The farm value of the 1907 crop of cotton and its seed is estimated to be from \$650,000,000 to \$675,000,000. Its farm value is probably a little below that of last year's crop. Otherwise it will be the most valuable cotton crop ever raised in this country and 7 per cent above the average farm value of the crops of the previous five years.

The year was a trying one to cotton from planting time to nearly the end of the summer, but even under adverse conditions a crop has been produced that will be sufficient, with the surplus of last year, to meet the requirements of spinners until the next harvest.

The fears of a cotton famine that followed the low production of this country in 1901 have not been justified, and in the meantime efforts to make European spinners partly independent

of the upland cotton of the South by aiding the growing of "colonial" cotton have not made themselves felt.

Among the strong points of advantage possessed by this country's cotton is the low cost of transportation to market. Recent investigations by this department indicate that the average cost of transporting cotton per 100 pounds from farm to local shipping point is about 16 cents; from local shipping point to seaport, about 40 cents, and from seaport to the United Kingdom, about 32 cents, the total being only 88 cents per 100 pounds, or less than a cent a pound.

TOTAL WEALTH PRODUCTION IN 1907.

Wealth production on farms in 1907, as expressed in value, transcended the high record of 1906, which was itself much above the highest amount before reached. In arriving at the total the farm products of the year are estimated in value for every detail presented by the census and at that point in production at which they acquire commercial value.

The grand total for 1907 is \$7,412,000,000. This is \$657,000,000 above the value of 1906, \$1,103,000,000 above that of 1905, \$1,253,000,000 above that of 1904, \$1,495,000,000 above that of 1903, and \$2,695,000,000 above the census amount for 1899.

The value of the farm products of 1907 was 10 per cent greater than that of 1906, 17 per cent over 1905, 20 per cent over 1904, 25 per cent over 1903, and 57 per cent over 1899.

During the last nine years wealth, estimated as above explained, was created on farms to the fabulous amount of \$53,000,000,000.

Besides the crops, there were farm dairy products in 1907 which nearly reached \$800,000,000. The price of butter increased 4 $\frac{3}{4}$ cents a pound over 1906 and of milk three-fourths of a cent a gallon.

More than \$600,000,000 must be regarded as the value of the poultry and eggs produced on farms in 1907. The amount may easily have been larger. This industry has advanced at such a rapid rate that no arithmetic can keep up with it. The farm price of eggs in 1899 was 11.15 cents per dozen as an average for the United States; in 1902, 12.37 cents; in 1904, 17.2 cents; in 1905, 18.7 cents; in 1906, 17 cents, and in 1907, 18.2 cents.

Dressed poultry in New York sold for 10.78 cents per pound wholesale in 1899, for 12.97 cents in 1903, for 12.57 cents in 1904, for 13.36 cents in 1905, for 13.2 cents in 1906, and for 14.9 cents in 1907.

MOST OF OUR FOREIGN CREDIT PROVIDED BY FARMERS.

The farmer provides the great bulk of the foreign credit which other classes of persons draw upon in the contrary movement of credit against this country.

The balance of trade in farm products in favor of this country in 1907 was \$444,000,000, an amount that has been exceeded in only four years — 1898, 1899, 1901, and 1902. In all other products the trade of 1907 produced a balance of only \$2,500,000 in favor of this country.

In eighteen years beginning with 1890 the farmers have not failed to secure a balance of at least \$193,000,000, the low amount of 1895. The great aggregate of the 18 balances in the trade in farm products is \$6,500,000,000, while the trade in other commodities during the eighteen years resulted in a grand adverse balance of \$456,000,000.

So a great stream of wealth has constantly been sent from farms to foreign countries to offset the adverse balance of trade in commodities other than agricultural; to pay the ocean freight costs on imports conveyed in foreign-owned ships, and to pay the interest, dividends, and principal on investments in the United States by foreigners. It is the farmer who has sent credit to expatriated Americans; it is he who has provided the immigrant with millions to send every year to the loved ones in the old countries; and, if there is still any credit to dispose of, the farmer has provided the American traveler in foreign countries with his pocket money.

WORLD'S RECORD FOR HIGH FLIGHTS OF KITES.

The creation of a research observatory at Mount Weather, Virginia, and the gathering together of a highly trained staff of men for the study of meteorological problems marks an important epoch in the development of meteorological science in this country. One of the first results achieved by that staff was the sending of meteorological instruments, by means of *aéroplanes*, to a greater altitude than has hitherto been accomplished. On October 3, 1907, the world's record for high flights was exceeded. On that day eight kites, in tandem, carried the meteorograph to an altitude of 23,111 feet above sea-level. Daily observations of upper-air conditions have been continued for over three months in succession, practically without interruption, and it is probable that this record will be maintained indefinitely in the future. The observations obtained in this manner are placed before the forecast official in Washington each night. The latter is thus informed of the vertical gradients of temperature and the direction of the wind for altitudes varying on the average from one-half mile to two miles. These facts are of great importance in the making of forecasts for the Middle Atlantic and New England States and for the elucidation of many problems of the upper air that hitherto it has been impossible to study.

In the past forecasts of the weather, as is well known, have been based entirely upon the existing horizontal gradients of pressure and temperature at the surface of the earth. The

formation of charts showing the distribution of temperature with increase of elevation above the earth's surface, which is now for the first time possible in our weather surface, so graphically tells the story of the rise and fall of the thermal levels that the layman is able to comprehend their significance. It is apparent that when a comparatively deep stratum of abnormally warm or abnormally cold air persistently overlies a region the action of a moving cyclone or anticyclone on the weather experienced at the bottom of the atmosphere will be materially different from that which would be experienced were the upper air at a normal temperature.

The significance of these data from the view-point of the forecaster is not yet fully understood, but certainly they present a fund of information that will be studied with profit by those whose duty it is to add to our limited knowledge of the science that must precede the art of weather forecasting.

The upper-air work at Mount Weather is thus described in detail because it is the one line of inquiry that at present holds out the greatest promise of immediate utility. The results already secured are deemed to be of such value that it is hoped means will be provided for the diligent prosecution of other lines of research work.

BREEDING FOR NEW ANIMALS.

The work in the breeding of American carriage horses, in coöperation with the Colorado experiment station, is progressing satisfactorily. During the fiscal year 11 foals, the progeny of selected parents, were dropped—2 males and 9 females. No additional horses were purchased.

The work in breeding Morgan horses, which is being carried on in coöperation with the Vermont experiment station, has been greatly extended through the generosity of a public-spirited citizen of Vermont, who donated to the department a farm of 400 acres near Middlebury, to be used in these operations. There were in the Vermont stud on July 1, 1907, 1 stallion, 9 brood mares, 1 two-year-old filly, 8 younger fillies, and 1 weanling colt.

There is great need of a breed of sheep suitable to the range conditions of the West, the requirements being for sheep that will yield a profitable clip of wool, produce good mutton lambs, and stand flocking in large numbers. It is believed possible to combine these characteristics in one breed, and with this idea in mind an experiment was begun in the fall of 1906 in coöperation with the Wyoming experiment station. Eighty-nine ewes and four rams have been purchased for foundation stock.

Experiments in developing a milking strain of short-horn cattle have begun in coöperation with the Minnesota experiment station and with nine Minnesota breeders, the latter having agreed to allow their herds to be used and to manage them according to instructions of the department and the station.

MILK OF WASHINGTON, D.C.

A feature of the year's work was the investigation of the milk supply of Washington, D.C. Nine hundred and sixteen dairies and dairy herds, with 16,446 cows, were inspected and rated in accordance with a score card prepared by the Dairy Division. With few exceptions, the conditions found were very unsatisfactory, the average score being only 45 out of a possible 100. This result may be considered as giving some indication of the quality and condition of the milk supply of the country, as it is believed that the conditions around Washington are no worse than those existing around other large cities.

The department is taking an important part in the general movement for a better milk supply, and assistance in that direction has been rendered to a number of cities.

PREVENTION OF "PEACH BLIGHT."

For a number of years it has been a problem with pathologists to find some successful way of treating the peach with fungicides in order not to injure the foliage. Some of the standard fungicides often cause complete defoliation. For this reason it has been found difficult to control a number of serious diseases affecting the peach by any of the ordinary treatments. This year it was discovered that a sulphur wash made by combining lime and sulphur, with no other heat than that produced by the slaking of the lime, gave a preparation which was not injurious to peach foliage and which prevented the scab and reduced peach rot to 10 per cent on the sprayed trees, whereas unsprayed trees had 75 per cent of the disease. This fungicide, further, completely prevented the leaf-spot fungi and produced no injury whatever, either to foliage or fruit. While this preparation has been previously used in winter, when the trees were dormant, this is the first time it has been tried on trees in active growth, with the success as indicated.

Last year mention was made in this report of a very serious disease of the peach in California, popularly known as "peach blight." Experiments were conducted during last fall and winter for the control of this disease, and, as the result of this work, it was found that the disease could be completely controlled by the use of standard Bordeaux mixture or lime and sulphur wash applied early in the fall, about the time of the first rains. The methods recommended by the department were widely used in California the past season with complete success, and we have been reliably informed that the treatment has meant many millions of dollars to the peach industry of that State.

ORIENTAL PLANT EXPLORATIONS.

China has proved a fruitful field for this work, and an explorer has been kept there constantly during the year. His

work has taken him through the little-known regions of southern Siberia, the border of Manchuria, the excessively dry mountains west of Pekin, and through the fertile country between Pekin and Hankau. This explorer has sent to this country over a thousand living seed and plant specimens for trial. Among these are promising blackberries and currants from northern Korea; a north Manchurian apple; a collection of twenty-four named pears from north China; several bush cherries and plums and peaches from northern Siberia — perhaps the very northern limit of peach culture in the Orient; drought-resistant alfalfas; dry-land rices; staple foods of the native Manchurians, but unknown to us, from regions where the climate is similar to that of the Dakotas; and a cherry noted for remarkable earliness, ripening its fruit in mid-April in northern California. Besides these, the explorer has sent in a large number of ornamental plants which our nurserymen have been for some time anxious to secure, because of the unusual hardiness of these north China species.

NEW ALFALFAS AND CLOVERS.

During the year an explorer has returned with seeds of the yellow-flowered Siberian alfalfa, and these seeds have grown into promising plants in the severe climate of the Northwest. The results of their trial will determine whether we shall import large quantities of the seed, as we have previously done with the Turkestan and Arabian alfalfas, both of which continue in their respective territories to gain in popularity. The Toten clover, also secured from Norway, where it is cultivated for its extreme hardiness, is being tested in the Dakotas.

For the rice growers of the South there have been introduced forty-six varieties from different parts of the world, among them the one-hundred-day rices — early sorts, which, in Japan, give crops when ordinary rices fail.

The fruit-growers of our tropical possessions have had their interest in mango growing stimulated by the fruiting of some of our East Indian fine-flavored varieties. All the local nurserymen are ready to sell in quantity several of the introductions of the department, and not only are the experiment stations of Hawaii and Porto Rico taking up this fruit, but, what is especially important, private plantation owners are planting out orchards of our introduced sorts.

The growing scarcity of wood for manufacturing purposes has led the department to make some extensive investigations of bamboo culture in Japan and other countries. Already a number of varieties have been introduced and steps have just been taken for the inauguration of a considerable number of plantations of these important plants in different parts of the South.

During the spring and summer of 1907 a new date garden was established at Indio, Cal. A new date garden has also been

established at Laredo, Texas, in a part of the Rio Grande Valley where the climate in spring and early summer is the hottest in the United States. It is believed that good dates can be grown in this part of Texas. The date palms in the Mecca garden, now from two to three years old, have begun to fruit freely, and the famous Deglet Noor and a number of other choice varieties have ripened perfectly, in spite of the fact that the season has been unusually cool. During the past year much interest has been taken in the planting of seedling date orchards in the hope of securing new varieties better adapted to American climatic conditions. Altogether some 150,000 date seeds have been planted in coöperation with growers in California, Arizona, and Texas. These growers will receive one or two offshots from imported date palms for every 250 date seedlings set out in proper form.

DROUGHT-RESISTANT OLIVES.

With the opening up of territory in the Southwest, demands are being made upon the department for information regarding the best crops for this extensive dry-land country. Southwestern Texas is a promising field, especially in the matter of arborescent crops. Investigations made in southern Tunis by the department have revealed the existence of extensive olive orchards in that region carried on where the annual rainfall is sometimes below 10 inches for several consecutive years and where the annual evaporation is over 100 inches. The olive grown under these extreme dry-land conditions has been imported and shows every promise of doing well in some parts of Texas and Arizona.

Studies made the past year in the Southwest have revealed the existence of a number of species closely allied to the almond and peach of the Old World. Several of these occur in very dry situations and one is distinctly of promise as a stock upon which to graft almonds, apricots, and other stone fruits for culture on unirrigated lands. Another species growing in central Texas bears a very early ripening fruit of fair size which is said to be of delicious flavor. Plants of this "wild peach" have been secured and selections will be made with the hope of obtaining a native drought-resistant peach-like fruit which can be grown in regions where peaches do not now succeed.

NEW WEALTH FOR THE SOUTH.

One of the most important forage crops is the cowpea, which is to the South what clover is to the North. During the year extensive investigations have been made of this crop, the principal object being to secure cheaper and better seed so as to bring about a great increase in cowpea culture. Special machinery has now been developed for harvesting the upright-growing varieties. The need is for good varieties producing small, hard

seeds that will not crack and that retain their vitality for more than one year. Many new varieties have been secured from foreign countries and a large number of others developed by hybridization, some of which show great promise.

The rice-growers of the South, especially in Louisiana and Texas, have long felt the need of a legume that might be grown in rotation on their rice lands. The department has been successful in introducing a specially adapted variety of soy bean used on the rice lands of central China. These soy beans have been tested and give every promise of filling the need perfectly. Three varieties have been secured, all very similar and characterized by great leafiness, fine stems, and large size, becoming six feet high, so that they produce large crops of excellent hay. Thus we have a combination of crops which will, we hope, do for the rice-growers what clover does for the wheat fields of the North, serving not only as a valuable soil improver but as an important forage crop as well.

Numerous attempts have been made to grow Egyptian cottons in this country. During the year gratifying progress has been made in this work, Egyptian cotton of the Mit Afifi variety having been grown quite successfully under irrigation at Yuma, Ariz. One selection has yielded at the rate of 500 pounds of lint per acre, which is unusually high for Egyptian cotton in this country. Some of the improved upland strains have also given equal and even superior yields in this region. The upland varieties that seem at present most promising for this important agricultural section of the Southwest are the Southern Hope, Sunflower, and Columbia, the latter being a variety improved by the department in South Carolina.

As a result of the Department's experiments the camphor industry has been established on a firm basis. A large acreage is being planted to camphor in Florida, and interest in the growing of this crop is increasing. From 3000 to 4000 acres of the trees are being prepared for planting in Florida alone.

BREEDING VARIETIES THAT CAN RESIST DISEASE.

The question of securing rust-resistant varieties of asparagus has been given special attention during the year. The rust disease of asparagus is threatening this industry in a number of sections and the efforts being made are for the purpose of securing types which will be resistant or immune to the disease.

Work in the breeding of wilt-resistant melons was practically completed during the year. The new wilt-resistant hybrid melon was grown on a commercial scale during the past season and easily held its own in the market with the varieties of its class. It produced an excellent crop on land where ordinary melons were destroyed by wilt. In connection with the breeding of wilt-resistant cotton, further tests have been carried on with

upland cottons. Some of these upland wilt-resistant types have not only proved valuable from the character of their lint, but also from the quantity of fiber produced. Considerable work has also been carried on in the matter of breeding alkali-resistant and drought-resistant plants. This work has included such crops as cereals, forage crops, grasses, and sugar beets.

NITROGEN BACTERIA AND SEED ADULTERATION.

The distribution of bacteria for inoculating various legumes has been continued during the past year with increasing success. It has been found especially important to carefully examine soil conditions before inoculation, and a method of doing this quickly in the laboratory has been devised. Over 18,000 cultures have been distributed during the year, and, from the reports received to date, they have been used with success in the majority of cases.

The work against seed adulteration has been continued with gratifying results. Aside from the continued sale of Canada bluegrass seed for Kentucky bluegrass seed, fewer cases of adulteration have been found than in former years. The importation of low-grade red-clover seed has continued, some lots containing over 8,000,000 weed seeds per bushel.

THE TRUSTEE OF OUR FORESTS.

At the beginning of the fiscal year the area of the national forests was less than 107,000,000 acres; at its close, more than 150,000,000 acres. Nearly all the timber land of the unappropriated public domain is now under actual administration by the Forest Service. This means that it is being protected against fire, theft, and wasteful exploitation, that its power to grow wood and store water is being safeguarded for all time, and that nevertheless its present supply of useful material is open to immediate use wherever it is wanted.

The Government is not a landlord owner, but a trustee. Hence timber is given away through free-use permits only in small quantities to the actual home maker, who comes to develop the country, and in larger quantities to communities for public purposes. Otherwise it is sold to the highest bidder, but under such restrictions as look to the maintenance of a lasting supply answering to the needs of the locality, to be had without favoritism and without extortionate demand based upon the necessity of the consumer.

The forests are already self-supporting, though they have been under the control of expert foresters less than three years. The total expenditures of the Forest Service for all purposes during the year was \$1,825,319.50 — considerably less than I estimate that the receipts from the forests will be during the present year. As yet, however, from the standpoint of true economy the

expenditure for the protection and improvement of these forests is far too low.

France spends annually upon state forests less than one-fiftieth the area of our own over \$2,500,000 and realizes \$4,230,000; Prussia spends upon 7,000,000 acres over \$11,000,000 and realizes \$17,054,144; Saxony spends upon only 400,000 acres over \$900,000 and realizes \$1,651,882. Yet in all these countries, unlike our own, the forests have had great sums spent upon them in the past in the form of permanent improvements, to which are largely due their present returns. A forest can no more be made to yield a constant return in valuable products without the investment of capital in improving the property than can a farm.

IMMENSE POSSIBLE PROFITS FOR THE PEOPLE.

If the United States spent as much per acre upon these forests as Prussia does upon hers, they would cost each year \$250,000,—000. If they brought in as much per acre, the gross revenue which they would yield would amount to \$650,000,000, and the net revenue to \$400,000,000. The development of the wealth-producing possibilities of the national forests—not, it must be insisted, in the narrow sense of income yield to the national treasury, but in that of economic usefulness to the people—is hardly begun.

I have asked for an appropriation for the Forest Service during the fiscal year 1909 of \$3,200,000. This, if all spent upon the national forests, would amount to 2 cents per acre. France spends annually upon her state forest 95 cents per acre, Switzerland \$1.32, Prussia \$1.58, and Saxony \$2.32. These are the countries in which the management of the forests is most profitable in products. The countries which spend most do so because their forests are brought to a high state of development. Thus utilizing their full productive powers they derive from them a net profit which is very high. On the other hand, the countries like Sweden, Hungary, and India, which spend from 2 to 34 cents per acre, derive a very low revenue—in other words, a small volume of products—from their forests.

It is as sure that forest land can be made to grow successive crops of trees under proper methods as that plow land can be made to grow successive crops of wheat; as sure that forests can be made to conserve the water supply as it is that manuring enriches the soil.

The use of the national forests by the people of the West is increasing at an extraordinary rate. The value of timber sales, the number of stock grazed, the demand for free-use and special-use permits all tell the same story. The forests are more and more contributing to the material welfare of those in their vicinity.

IMPROVING THE RANGE.

Unlike the demand for timber, the demand for range in the national forests is already large enough to employ practically the full productive capacity of the land. There were grazed last year on the forests over 1,200,000 horses and cattle and 6,650,000 sheep and goats, representing a total investment of perhaps \$44,000,000 and a probable annual profit, under the conditions of recent years, of \$8,000,000. Upon the cattle industry of the western range depends to a large extent the farmer of the prairie States for the profitable marketing of his corn crop, the workman of the East for his food supply, and our foreign trade for one of its important articles of export. Under the conditions which obtained before the Forest Service undertook to regulate grazing, the carrying power of the range had seriously fallen off through over-grazing and competition. By putting a stop to these evils the Forest Service has not only partially restored the range to its former carrying power, but has also given greater stability to the stockman's industry by recognizing his right to protection against newcomers, and made it possible for him to bring his stock through in better weight and condition.

An exhaustive study of the possibility of range improvement through artificial seeding, through changes in the present methods of handling stock to favor the growth of the best native forage plants, and through extermination of poisonous plants has been inaugurated. The whole problem of range control and improvement will be pursued until every part of the range in national forests is producing the best crops of forage which the circumstances will allow.

SOWING NEW FORESTS.

The fires of past years and centuries have stripped great areas of western mountain timber land of all forest growth. The need of conserving the rainfall and snowfall of these areas makes reforestation a step of urgent necessity. At the same time it is often one of the utmost difficulty. In dry climates particularly (where the need is greatest), to establish a forest without prohibitive expense calls for the most careful study.

After plantations are apparently well established a season of unusual drought may turn the scale against the growing trees. Millions of acres must be planted—and this means that thousands of millions of small trees must be raised—but there is yet much to be done before planting on a scale commensurate with the needs can be begun. This preliminary work is being pushed with as much energy as the funds available for the work will permit.

In a large part of the Northwest, at least, there is good reason to believe that broadcast sowing of seed may be practicable. If this proves to be the case, the way will be open for restoring to

forest cheaply very much of the burned-over land. Hitherto the experimental sowings have shown surprisingly good results. The country's need of timber is certain to be so acute before many years that the work cannot be entered upon too quickly.

That the United States is even now nearing a time of severe scarcity of lumber is no longer a matter of doubt. Each year makes a further heavy inroad upon the remnant of our virgin forests, and the growth of our abused and depleted forest lands for three years would not meet our needs for one.

MAKING COMMON WOODS MORE DURABLE THAN OAK OR CHESTNUT.

An easy and inexpensive method of treating fence posts has been perfected which makes it possible for any farmer to make the quickly decaying woods, still abundant because hitherto thought almost worthless, far more durable than untreated white oak or chestnut. Demonstrations of this method before southern farmers were received with enthusiasm. For the middle West, where the common woods are seldom resistant to decay, the matter is certainly no less important. Essentially the same method is being applied to the butts of telegraph poles and to mine props. The enormous consumption of timber for the latter purpose and the extreme rapidity with which it decays in the dampness and darkness of the mine open the prospect of a large economy from the use of this method of treatment, which has stood a searching practical test in Pennsylvania coal mines. By applying the same treatment to timbers from the national forests a use will be found for dead wood and a decided benefit will be conferred on the users of the timber. The work includes a study of the comparative merits of different kinds of preserving fluids.

The investigations aimed at discovering new sources of paper pulp have demonstrated that a number of woods of abundant supply, never in the past thought of for the manufacture of paper, are capable of yielding pulp of a standard grade. Studies in wood distillation are establishing the practicability of obtaining turpentine from waste southern pine material.

Ten thousand separate tests of the strength of timber, largely in the form of full-sized structural beams, have established the relative value of a number of woods and proved the fitness for hitherto unthought of uses of several of them.

THE FOOD PRODUCED BY OUR FARMERS CAN BE INCREASED MANY TIMES.

There are in the continental United States 1,900,947,200 acres of land. Of this, the tenth census showed 838,591,774 acres in farms, with 414,498,487 acres in improved lands and 289,734,591 acres actually in crops.

With a more thorough knowledge of the soil and its adaptation to crops and the proper methods of soil management, the full extent of the agricultural development which may take place in

the United States in the future is very great. The undeveloped portions of the United States are not confined wholly to the arid West. When we realize that we have 77,000,000 acres of swamp land in the eastern half of the United States — an area equal to all of the New England States, New York, and half of Pennsylvania, or to the combined areas of Illinois and Iowa — which can be reclaimed, and which, under the prevailing climatic conditions when so reclaimed, are exceedingly productive, and when we realize that only 16 per cent of the State of Louisiana, for example, and a smaller percentage of the State of Texas is in improved lands, the possibilities of development become more apparent.

The soil survey work of the department is the largest undertaking of the kind that has ever been inaugurated in any country. The area surveyed and mapped during the past fiscal year was 20,560 square miles, or 13,158,400 acres, and there have been completed to June 30, 1907, surveys covering a total of 139,247 square miles, or 89,118,080 acres. This area is more than 15 per cent of the amount represented by the farm lands of the United States. The work has been so distributed as to include every large representative district in the United States.

One of the most important problems being studied by the department is the intelligent use of commercial fertilizers. In some sections of our country, especially in the South and East, the quantities now used are enormous, and this use is gradually extending. That the amount of money annually invested in fertilizers by the farmers of the country, now amounting to upward of \$100,000,000, will continue to increase seems certain. But just as certainly a large percentage of the money — perhaps a third — is annually wasted and brings no adequate return, owing to a lack of understanding of the soil's requirements.

According to the latest determinations the rivers of the United States are annually pouring into the seas fully 1,000,000,000 tons of sediment. The volume of material thus lost to the land is increasing with settlement and cultivation; it is almost wholly washed from the surface, and is the very richest soil material, the cream of the soil. The value of the material is not easily fixed, but at a moderate appraisal the annual loss would exceed all the land taxes of the country.

Part of this wastage may be avoided by deeper cultivation, drainage, terracing, etc., to which effective and simple methods the public is being educated by the department.

THE BOLL WEEVIL CHECKED.

That the cotton-growers can be protected from the boll weevil by planting cotton early and by burning the plants in the fall, after the cotton has been harvested, has been proved by many experiments of the entomologists of the department. In one isolated locality in Calhoun and Jackson counties, Texas, badly

infested with the weevil, 410 acres, comprising all of the cotton in that vicinity and separated from other cotton plantings by about 10 miles, were cut during the first ten days of October, 1906. In Lavaca county, 30 miles away, a considerable quantity of cotton was not destroyed, and the fields were kept under observation as a check. The results were as follows:

In May, 1907, in the experimental fields only one weevil was found, whereas in the check fields the weevils were so numerous that practically all of the squares had been destroyed. In September, 1907, the cotton in the experimental fields showed a yield of about 1000 pounds of seed cotton per acre, while in the check fields the average was about 350 pounds of seed cotton per acre, and this in spite of the fact that the soil on the check area is much richer than that in the experimental area. The destruction of the plants in October has caused the poorer land to produce practically three times as much cotton as the richer land. The proper treatment of the fields in the experimental area resulted in an advantage to the farmers of \$20 per acre.

By burning the cotton plants after the harvest many millions of weevils in one stage or another are killed which otherwise would successfully pass the winter and infest the next year's crop.

IMPORTING BENEFICIAL INSECTS FROM EUROPE.

The introduction of the parasites and predatory insect enemies of the gypsy moth and the brown-tail moth has been continued with great success, and it is reasonably certain that the gypsy moth can be held in check by these imported natural enemies just as it is in Europe.

In the early summer of 1907 the Chief of the Bureau of Entomology again visited parts of Europe, and by coöperation with European entomologists succeeded in introducing a much larger number than ever before of European parasites of the eggs and of the larvæ and pupæ of both the gypsy moth and the brown-tail moth. Two new species of primary parasites were introduced from Russia, and one of these proves to be a very rapid breeder and promises the best results.

These insects have been cared for in large indoor and outdoor breeding cages in the vicinity of Boston, and many thousands of specimens have been liberated in the open. There is abundant proof that several species have established themselves, and there is every reason to suppose that they will breed with greater or less rapidity. It is hoped that the results of the work of these parasites will be evident by the summer of 1909, and there is a possibility that they may be evident in 1908.

The life histories and habits of these parasites are being studied by expert assistants in the laboratory near Boston, and careful observations at the same time are being made by agents of the department in France and in Russia. Six generations of one species have been followed through during the past summer.

Altogether 35 species of these beneficial insects have been imported. Of these, 14 are hymenopterous parasites, 16 are dipterous parasites, and 5 are predatory beetles.

SENDING USEFUL INSECTS ABROAD.

European officials have been so generous in their assistance to this country in these importations of beneficial insects that the department has endeavored to return the courtesy wherever possible. Continued sendings of scale-insect parasites have been made during the year to Italy with promise of success.

An interesting coöperative experiment was begun during the year with the French government, and successful sendings of a predatory wasp from the Southern States to Algeria were made. On arrival in Algeria these wasps were cared for by agents of the Pasteur Institute of Paris, acting for the French colonial government, in the effort to establish a species which will destroy the gadfly, which carries a very destructive disease of the dromedary, so important in that country as a beast of burden.

HESSIAN FLY INVESTIGATIONS.

The wheat-sowing experiments have been increased during the year, and are now being carried on in eleven States, over 800 different sowings having been under constant observation this year. Exact data are being continually accumulated, showing that it is possible to evade the most serious portion of the fall attack of the Hessian fly by seasonably late sowing in the fall.

An important branch of the Hessian-fly work has demonstrated the possibility of the practical use of the parasites of the fly. A striking example has developed during the year. Early sown plats at Lansing, Mich., and Marion, Pa., were seriously attacked by the fly, but when examined at a later date fully 90 per cent of the flaxseeds were found to have been stung by a certain species of parasite and to contain its developing larvæ. At this time a field of wheat near Sharpsburg, Md., was found to be infested by the fly and examination indicated the absence of parasites. On April 8 some thousands of the parasitized flaxseeds from Pennsylvania were brought to Maryland and placed in the field. On July 8 an examination of the Maryland field showed that the parasites had developed so rapidly as to bring about an almost total destruction of the fly.

ENCOURAGING SILK CULTURE IN THE UNITED STATES.

Eighty-five ounces of tested silkworm eggs were imported from Italy and distributed to 343 applicants in the spring. About 11,000 seedlings of the best white mulberry were also distributed. Cocoons were purchased from American growers at a rate varying from 90 cents to \$1.15 per dry pound, and these cocoons were reeled at the department. The reeled silk on hand was sold during the year at \$4 a pound, bringing in a return of \$1012.

THE DECLINE OF THE HAND LOOM IN ENGLAND AND GERMANY.

THE valuable paper which follows was prepared by Prof. J. H. Clapham of the University of Leeds, and read at a meeting of the Bradford (England) Textile Society. Some years ago we published in this Bulletin an exceedingly interesting story of the rise of the International Wool Trade, by Mr. Clapham who, in the present paper, has rendered a valuable service to the history of the textile manufacture by tracing the encroachments of power weaving upon the hand-loom industry in Great Britain and Germany, where the latter has practically been driven out of existence as a factor in productive manufacturing in the cotton and woollen industries, although hand looms will continue to be used for experimental and pattern work. Mr. Clapham said :

The long, interesting, and complicated story of the decline of the hand loom is one, parts at least of which must be familiar to most members of the society, but it contains many interesting and comparatively obscure points, and — apart from all technical or commercial aspects — it has a tragic interest of its own, for it brings us into contact with one of the saddest features of nineteenth century history — the long and fruitless struggle of an old and honorable trade against forces that were too strong for it. That struggle, now practically over with us, is not yet ended in many countries. The situation in Germany, for instance, at the close of the nineteenth century resembled in many ways that of England forty or fifty years earlier. So I propose to add to the English part of my story such information as I have at my disposal with regard to the course of events in Germany.

Naturally, worsted and woollen weaving claim the first place in the story, but I cannot omit cotton, and I may have a little to say about linen. With silk I do not propose to deal. The subject is wide enough without adding to it that difficult and complicated branch of weaving, a branch that has a history of its own.

Like almost all the great textile improvements, the power loom conquered the cotton trade first, but in cotton, as subsequently in worsted, woollen, and linen, the conquest was exceedingly gradual. It took a century to complete absolutely, though for most purposes the fight was won within about fifty years from the time when the new looms really began to be adopted. Cartwright's last weaving patent was taken out in 1787, and twenty-two years earlier water power had been utilized to drive a mill full of the old Dutch or swivel-looms in the Manchester small-ware trade, yet when the nineteenth century began the trade remained unaffected. Cartwright's own commercial ventures —

they were made at Doncaster — collapsed, and other experiments of the same period in the cotton trade met with but little success. But the need for the new machine was so pressing that nothing could check the inventors. Spinning by power was already a proved success, and there was more yarn turned out than could by any possibility get woven. Hand-loom weavers, in most branches of all the textile trades, but especially in cotton, were making money fast about 1800. In Lancashire, large numbers of them turned from working wool or flax to the more profitable cotton weaving, and — as a contemporary wrote — “every lumber-room, even old barns, cart-houses and outbuildings of any description were repaired, windows broke through the blank walls, and all were fitted up for loomshops.” That was in the fine muslin district about Bolton, where trade was particularly brisk.

Meanwhile the power loom was being improved, and subsidiary processes were being worked out to assist it. Warp dressing appliances and the mechanism for automatically taking up the woven cloth were patented by Radcliffe and Johnston in 1803-4, and a few years later Horrocks, of Stockport, put on the market a loom which long held the field in the cotton trade. It was all made of iron — a novelty, by the way — and, though it was lacking in many points, if judged by modern standards, it served as a model for later makers. Yet when the great wars ended in 1815, there were probably not 3000 power looms in use in the country, all of them, I believe, engaged on the plainest cotton weaving.

So far the hand loom remained unchallenged in Yorkshire — unchallenged and not much improved. In the stuff trade up to about 1800 the shuttle was still usually thrown across the shed, although the flying shuttle had been known for two generations. Apparently the old wheel-spun worsted yarns and the earlier throstle-spun mill yarns, as they were called, were not good enough and even enough to allow the fly shuttle to work effectively. It was not until the mill spinning had improved and the false reed had been invented that this, the first of the great modern improvements in weaving, became acclimatized in the Bradford district. Another twenty years passed — years during which the power loom had become firmly established in the cotton trade — before any serious attempt, any attempt at all, so far as I know, was made to adapt it to the worsted industry.

FIRST BRADFORD LOOM.

The first Bradford loom — according to Mr. John James, the historian of the worsted trade — was secretly built by Mr. James Warbrick, and set up at Shipley, in 1822. But the usual riot, that in those days accompanied an experiment with machinery, broke out; the weavers surrounded the mill, took the loom from

the constables who were sent to guard it, and dragged its remains through the streets of Baildon. Other experiments in the '20's also led to rioting and even to bloodshed. But when once the opposition of the old weavers had been more or less overcome, and the use of power was recognized as inevitable, the movement went on with uncommon speed. Thirteen years — from 1825 to 1838 — was sufficient to familiarize all parts of the worsted districts with the new machinery, though not, of course, to drive out the hand loom. One after another the great firms took the decisive step — at Black Dike Mills, for instance, they were started in 1836 — so that as early as 1838 the power loom could be described as having been “generally adopted” in the trade.

Those were the days of the swift growth of Bradford, when she was stealing, as the East Anglians would have said, the old worsted and silk trades of Norwich. Thirty years earlier Bradford spinners had sent their “mill yarns” to Norwich, for the old worsted capital had neither the power, in both senses of the word, nor the will to turn from her ancient methods of production. Her decline was due not merely to the lack of water power and coal, for, after all, sea-borne coal is easily shipped to Norwich, but largely also to the conservatism of the East Anglian manufacturers and the East Anglian workpeople. Yorkshire began to capture the manufacturing trade from Norwich — of lastings and damasks and bombazines, for instance — early in the nineteenth century, before the power loom came in; and some years later a Norwich man attributed this “piracy” to the want of keeping pace with the North in the introduction of machinery and the want of an enterprising spirit. On visiting Bradford in 1838 he found that “almost every article originated in Norwich, and at one time considered as exclusively confined to it,” was being turned out from mill yarn woven on power looms. At that time there was hardly a power loom at work in all East Anglia, and even spinning machinery had only been introduced very recently at two or three places in the Norwich district. It is true that the West Riding had, at the outset, a lower rate of wages for hand-loom weaving than the East Anglian weavers would accept; but that is not enough to account for the fact that this district was allowed by the Norwich people to get a 30 years' start in power spinning and a 15 years' start in power weaving.

A ROYAL COMMISSION.

The date with which I am now dealing — that is to say, the opening years of Queen Victoria's reign — 1837-40 — is the period of the Royal Commission on Hand-loom Weaving, whose reports form one of the most thorough accounts of the condition of any trade ever published. One can travel with the Commissioners into every textile district of the United Kingdom and

ascertain the exact progress that power weaving had made and the exact condition of the hand loom weavers — and a very sad journey it often is. The most tragic state of affairs was found in the cotton districts of Lancashire and the west of Scotland. By that time there were at least 120,000 power looms at work in the cotton trade. (There are about 650,000 to-day.) The exact number of hand loom cotton weavers was not accurately ascertained, but we shall not be far wrong in reckoning them at a quarter of a million. In a few districts and trades they were still fairly prosperous, in the fine muslin trade of Bolton, for instance, but, generally speaking, their condition was pitiful. Those engaged in the coarser and easier work were in a frightful state of poverty, whether their homes were in the insanitary and overcrowded towns or in the out of the way weaving villages. Wages were low for both classes, and the village weavers, whose conditions of life were more healthy, had more irregular work, owing to their distance from the main centers of the trade.

In the year 1835, for instance, a careful enquirer at Manchester tabulated the earnings of 348 weavers in 10 streets. They were engaged on no less than 24 different classes of goods, some of which were silk, but the majority cotton. Their gross takings at the time of his inquiry were 4s. 9d. per week each. And the number of persons to be nourished from those 348 4s. 9d.'s was 775! No doubt that was an extreme case, perhaps at a time of very slack work. Still, it remains true that at the time of the inquiry — I quote from the report of one of the ablest of the Assistant Commissioners — “a very skilful cotton weaver, at the very best work,” when full employed, would earn 9s. It is therefore clear that an average of under 5s. in the lower branches of the trade has nothing improbable about it. As a rule the Manchester weavers worked by families, most families having two, some three or even four looms. Family earnings are, therefore, a better test than the earnings of single workers. Figures for nearly 900 families for a whole year were taken out, which yielded the following results: The highest class of workers, where the family employed on an average three looms, made 16s. 4½d.; the second class, with 2½ looms to the family, made 12s. 4d.; the third class, with 1½ looms, made 7s. 8½d. And these were good-sized families, all devoted to the weaving or to some of the accessory jobs. There is abundance of evidence of the same sort which I have not time to give. What made matters worse was that the houses and working conditions of the cotton weavers were, in many cases, far worse than those of any other class. Whereas the Yorkshire weaver was, at least, above ground, and often in an airy weaving loft, the great majority of the Lancashire men worked in cellars, for the cotton needed moisture. “I have seen them,” writes the Commissioner, “working in cellars dug out of an undrained swamp; the streets formed by their houses without sewers, and flooded with rain;

the water therefore running down the bare walls of the cellars. The descent to these cellars is usually by a broken step ladder" —and so on. It is a disgusting picture.

In the Scotch cotton districts the situation was much the same, only wages were, if anything, rather worse and the conditions of life harder. Wages for a full week's work ran from 4s. 6d. in the case of not very skilled workers at common fabrics, to 9s. 6d. for skilled men making fancy muslins and silk gauzes. The weaver's food was usually potatoes and oatmeal porridge, made with water; his bed not infrequently straw. Decent clothing and furniture were every year becoming rarer, and weaving families — once respectable — were now ashamed to be seen in public or at church.

THE WORSTED TRADE.

In the worsted trade things were, on the whole, by no means so bad as in cotton. About Bradford it was reckoned that a first-rate worsted weaver on high-class goods could make about half as much again as a first-rate cotton weaver, that is to say, 13s. 6d. instead of 9s. But the average earnings were, of course, far below 13s. 6d. Here again the earnings were more often family than one-man earnings. Some families kept a couple of looms; in all the wife and children lent a hand, picking the pieces, winding bobbins or piercing broken threads in the warp. From a number of cases reported to the Commissioners, it seems that a full week's work for a weaver — probably with a little help, but with a single loom — would yield on an average about 7s. 6d. The earnings of a man in the prime of life were higher than this; those of old and inexperienced men very considerably lower. As a class the hand-loom worsted weavers seem to have been at this time steady, sober, and by no means reduced to the straits of their fellows in Lancashire. They lived hard and worked hard; in many cases the falling wages of the period 1815–1835 had robbed them of their small savings and materially reduced their comfort, but they were not yet squalid cellar dwellers, nor were they crowded into the towns to the same extent as were the Lancashire weavers.

In only one case, in the West Riding, do the Commissioners single out the housing conditions of a group of worsted weavers as scandalously bad. That, I regret to say, was at Leeds, where 700 stuff weavers, two-thirds of them Irish, were herded together on the Bank, living in cellars, sleeping on straw, with no decent furniture, no drains and little self-respect. It seems that the Irish had set the tone, for this unfortunate group of weavers were earning wages low, indeed, but on which, nevertheless, a weaver of the neighborhood of Bradford could keep up a creditable appearance.

WEAVING FAMILIES AFFECTED IN TWO WAYS.

The power looms in the Bradford district were affecting the weaving families both for good and evil. The manufacturers who both owned power looms and put pieces out to the hand weavers naturally preferred to keep their machinery in full work when business was slack, so that the whole burden of bad times fell on the outside weavers. On the other hand, the comparatively good pay that could be earned by girls weaving in the sheds was a valuable addition to family earnings, for in some cases they were making more than their fathers, the old hand weavers. Again in certain instances, the men were taken into the mills when a master started power-weaving. But this seems to have been rare. The independence and professional pride of the old race of weavers made them hate the thought of the factory, and stick to their home work with a tenacity that, in the long run, did them no good.

It is interesting to notice that the great fall in weavers' earnings that took place between 1815 and 1835, in Bradford and elsewhere, was not altogether due to the competition of steam power. It began long before the power loom had got any real hold of the trade. Nor was it a fall from a level of earnings that had long been established. The fact was that in worsted, as in cotton, the great demand for weavers immediately after the invention of spinning machinery, together with the increased output from each loom, the result of the invention of the fly shuttle, drove up their earnings remarkably just after 1800, so that the subsequent fall was all the more keenly felt. Exactly the same thing happened in the woolen trade. In worsted, before 1800, a first-rate weaver did not make over 10s. a week. By 1814 that figure had been doubled. It began to fall about 1820, and by 1837-8 it was down again to 13s. 6d. or lower.

No doubt there was a rush into the weaving trade in the good years. Population was growing fast. The weaver brought up his sons and daughters to his own trade — what else should he do? Then came a slack demand in England and abroad in the troubled years immediately after the war. Competition among manufacturers and weavers drove down the rates of pay, and on top of all this, about 1830, came the crushing competition of the power loom. Once the iron loom, usually with a girl to mind it, set the pace, and the scale of pay, no chance of a rise in hand-weaving rates remained.

THE WOOLEN TRADE.

In the woolen trade power-weaving had not made any great progress before 1840 — at any rate in Yorkshire. It had made rather more in some parts of Lancashire, where wool was worked at that time to a greater extent proportionately than it is now, and, of course, there were big firms of cloth manufacturers in and

about Leeds — such as Gotts — who used power. But the power loom was in a minority even in Leeds, where Gotts themselves employed a number of hand weavers. And in the townships round about on both sides of Airedale the old methods remained practically untouched. To the south, in the heavy woolen district, things were much the same, while at Huddersfield, although some of the big firms were turning to power in the cloth trade, attempts to utilize it in the fancy trade — it was a trade in fancy waistcoats at that time — had met with no success. Outside Yorkshire and Lancashire there is hardly any need to go. Power looms did not appear at all in the West of England woolen trade until 1836, and, so far as I have been able to ascertain, there were none in use in the Tweed towns in 1840, except for blanket weaving.

When these facts were taken into account, together with the heavy and difficult work of broadcloth as compared with stuff weaving, it is not surprising to learn that the earnings of a first-rate Yorkshire cloth weaver stood in much the same relation to those of a skilled worsted weaver as did those of the latter to a Lancashire or Scotch cotton weaver. A cloth weaver at Leeds would make, on an average, 13s. to 15s. a week, when busy ; say 15s. with deductions of from 1s. to 2s. due to the expenses connected with his work and the cost of his loom. In the outlying places at the time of the inquiry, earnings were lower, and in Horsforth they had recently been very low indeed, for work all through the trade was most irregular. But one district formed a notable exception. That was Calverley and Farsley, at that time an exclusively woolen territory. Here families were earning 30s. a week and upwards, and work was remarkably steady. Fashion had been kind to the Calverley goods, and the weavers are reported to have been a remarkably fine race, physically and morally. Indeed, as a class, the woolen weavers were a whole social grade removed from the unlucky cotton operatives, not only in Yorkshire, but in the Tweed towns and in the West of England.

I had thought of introducing into the paper some account of weaving into those districts — the West County and East Anglia — that Yorkshire was supplanting in the first half of the century. But to do so would make my account unduly long. I must content myself with one more extract from the great report that has supplied so much of my information so far to-night. It relates to a class of weavers who even in 1840 were almost extinct, but who deserve not to be forgotten, for they were the last links with an old state of society. I refer to the old custom or customer weavers, jobbing weavers as one might call them, who, instead of weaving for a business man, worked up the yarn — linen yarn for the most part — that used to be spun so extensively in farms and country houses. A few were reported by the Commissioners from out of the way parts of Lincolnshire, men who worked as agricultural laborers when a weaving job was not to be had. In

Scotland there were still a good number of them scattered over the whole country, but chiefly in the Highlands.

THE SECOND HALF OF THE NINETEENTH CENTURY.

To follow in detail the steady decline of the hand loom worked by the independent weaver in the second half of the nineteenth century would be a long and not an easy task. In every trade it died — one may almost say dies — hard, old men in out of the way districts elinging to it when for commercial purposes it had long been as good as dead. Sometimes these isolated survivors can be found at work close to mills where for two generations steam has been driving the looms, so that any memory of hand work is well nigh forgotten. I must give some sketch of these later movements, for in certain trades the decline had hardly set in in 1840 at all. Indeed, at that time most experts were agreed that though hand weaving might decline relatively it would never die, which is not altogether surprising when we recall that even in the cotton trade two-thirds of the looms were still of the old sort fifty years after Cartwright's patent. But from that time things moved swiftly. The miseries of the weavers in the hungry forties thinned their ranks. No longer was there the least attraction to the trade, and the period from 1840 to 1870 saw the death of the hand loom in Lancashire. No, not quite — years ago a German professor came to study the cotton industry. He inquired for hand-loom weavers. The largest merchants in cotton goods knew nothing more of them. Yet he found a few on the outskirts of Bolton — old, gray-haired men and women working in cellars like their fathers, weaving counterpanes with a coarse thread made of cotton waste, weaving in texts of the Bible and lifting the warp with a hook. They were resolved to be the last in their trade. They taught no young hands; the youngest member was fifty years old. Maybe there are some of them yet, but I have not been to see.

Here in the worsted trade the movement was equally rapid. Already in 1846 the hand loom was banished from most branches of the trade. Its decline in the last thirty or forty years must be better known to some here by experience than it can be to me by study. When James wrote his history in 1857 the last of the weavers were fast disappearing. They were holding on on the moors and still excelled in some lines of fancy work. Long before that time it had become impossible to quote any figure as to the earnings of a hand loom weaver. They were no longer an industrial class, but isolated individuals whose earnings, like those of a pedlar or a small shopkeeper, were not easily known. A few old men were still wearing moreens at Clayton thirty years ago, when Mr. Cudworth wrote his "Round about Bradford." One of them — he was over seventy — was making 4s. a week and his daughters were supplying the rest. That must be nearly the last chapter in hand-loom weaving of the old sort.

With cloth, things were very different. About Leeds the hand-loom weavers still formed a considerable body of men up to the '60's, in some places a good deal later. One is glad to know that their wages fell no further. Like all the dying race of hand weavers, they specialized, and they were able to keep their heads above water. Instead of the 12s. or 13s. of 1840, their full week wages in the '50's and '60's are quoted at 15s. After that, in Leeds, at any rate, they turned into pattern weavers and, so to speak, passed out of the class of true hand workers of the old type, the class of independent cottage weavers.

Right down into the '70's and early '80's, however, the true hand-loom weavers were still a numerous class in certain special places. At Calverley, for instance, — Calverley famous in 1840 for its strong weavers and good wages — the old trade was swinging on in the old way till nearly 1880. There is an old flannel weaver there still I am told, unless he has gone out of work in the last few months. But the old trade went out in the '80's.

In the heavy woolen district again, the power loom came in late — in the '50's, '60's, and '70's, about Batley, for instance. Here, too, the later hand-loom weavers, by giving their attention to the fancier goods made a good fight. In 1858-60, when power was coming in fast, the old weavers were making their 18s. a week, and were by no means disposed to take to regular mill work.

So, too, at Huddersfield. The fancy trade was the last stronghold of the old guard. The remains of the class are in the mills now, pattern weaving and the like, but so recently as 1866 they managed about a quarter of the looms in the trade, and twenty years later were still an important body. They earned well to the last.

The 1901 census for Yorkshire puts the postscript to the long story, so far as our county is concerned. It is rather a surprising postscript, I confess. You find it in the elaborate analysis of occupations at the end of the volume. The eye runs down the columns — Textile Fabrics, Cotton and Flax, Wool and Worsted — and rests on the entry, Weaving Processes, Working at Home. When all the items have been added up it appears that about 300 men and women, mostly men, have entered themselves as engaged working at home in weaving processes — excluding silk — in the North, East, and West Ridings. One knows where some of them are, weaving flannels and dishcloths and towels in out of the way corners for the most part. But I cannot help thinking that the names of some retired hand-loom weavers have got into the list, small as it is. When the next census is taken I imagine the book will be closed. Assuming that to be the case, it will have taken as nearly as possible eighty years, from the time when the first power loom came into use, for independent hand-loom weaving to die in Yorkshire.

THE STORY AS AFFECTING GERMANY.

In Germany, to which I now turn, the start was later and the end of the process is yet in the future, though the decline of the hand loom has been extraordinarily rapid in the last generation. The story differs in many points from ours, mainly because the condition of the weaving industry before the advent of the power loom was in most parts of Germany entirely different from anything that existed in England in 1800. Throughout much of Germany weaving was not a separate trade at all when the nineteenth century started, whereas, in England, at any rate, it almost invariably was. Cloth and linen were made for use and not for sale. The German peasant woman not only spun but also wove her own linen, and she or some member of the family often wove rough woollen cloth, too. The peasants still weave to some extent in out of the way districts. Thirty years ago—in the early days of the Empire—the practice was very general in Eastern Germany—Prussia, Prussian Poland, Silesia, and Pomerania. Where this primitive practice was not in existence, the peasants early in the century usually employed the class of men whom we have found in England and Scotland described as a customer weaver to make up their homespun. It was only in certain parts of the country, in Saxony, for instance, and in Silesia, that there existed large bodies of professional hand weavers working as small masters on their own account and selling to merchants, or serving the larger manufacturers for hire, such as we find in Lancashire and Yorkshire, and, indeed, throughout England about 1800. With us this was already at that date the typical system; in Germany it was, I should say, the exception. Germany was largely a peasant land and the peasants got their textile wants met in the way that I have described. Professional weaving was mainly concerned with the finer work in all branches of the textile industries. Cotton, however, not being a home-grown commodity, was never, so far as I am aware, worked up by the peasants; that is one of the reasons why in so many countries cotton has been the first trade to welcome machinery; cotton workers, whether spinners or weavers, have always in Europe been what one might call a professional class.

German historians say that Horrocks' Stockport looms began to come into the country in 1822. If so they must have been smuggled—which is likely enough, by the way—for it was illegal to export textile machinery from this country up to 1825. But their progress was excessively slow. They went, of course, into the cotton trade, and the German cotton trade was an exceedingly sickly infant in those days. There is no reason to suppose that up to 1850 or even 1860 power-weaving had made any serious impression on any branch of weaving in any part of the country excepting Alsace, which was then, of course, a part of France. The Germany of those days was not an industrial

country. In the whole of the Prussian dominions there were only 7000 h.p. available, *via* steam engines, in the year that Queen Victoria came to the throne.

A CHANGED POSITION.

The story of power, so far as Germany is concerned, I repeat, is the story of the second half of the nineteenth century. It is true there were a few thousand power looms at work in 1850 — some 1200 in the woolen and worsted industries put together, and two or three thousand in cotton — but they were as nothing compared with the scores of thousands of hand looms all over the face of the country. Twenty-one years later, however, when the German Empire had come into existence, the situation had changed. The condition of things was not unlike that of England at the time of the hand-loom weavers commission — that is to say, that Germany was a generation behind us. She had just secured the well-developed cotton industry of Alsace as a going concern. Her own cotton trade in Saxony, Bavaria, and Westphalia was growing on English lines, and the power loom was extensively used, perhaps more extensively than in England in 1840. In the worsted trade, also, which was young and not very strong at that time, power had full play, for worsted weaving had not been a specialty, either among peasants or professional weavers, in Germany up to that period; consequently a clear start could be made with modern appliances. From the outset large concerns marked the trade. But as the statistics and accounts to which I have had access do not clearly distinguish woolen from worsted, I am not able to state the exact extent to which the hand loom — whether inside or outside the mill — was in use at that time. The cloth trade was apparently less well-developed in '71 than that of England had been in '40. The peasant manufacture for home use was still prevalent in the north and east, as I have pointed out. Small masters, of the type of the old master clothier of Yorkshire, were numerous in the true manufacturing districts, and, like the small masters in England before them, they had their carding, spinning, and finishing done for them on commission. Linen in Western Germany had, for the most part, passed to the power loom; in the east, especially in Silesia, it was still an almost untouched cottage industry.

Some idea of the immense part which the hand loom played twenty years ago, and still plays, in the German Empire, can be gained from an examination of the census figures for 1882 and 1895. These censuses contain the most full and detailed account of the growth and decay of all occupations and trades, and the figures for 1882 — eleven years after the foundation of the Empire — will bear out my view that, in this matter of hand and power-loom weaving, Germany has been until recently about

a generation behind us. At that time about one-quarter of all the German professional woolen and worsted weavers — the classes are not distinguished — were still working hand looms at home. Others, but how many I do not know, were working hand looms in the mills. In linen the home weavers represented considerably more than a third of the whole body, and in cotton almost exactly two-fifths.

Taking these three (or four) industries together we get a total of 338,000 weavers, of whom 117,000 were of the class that we are studying.

LATER STATISTICS.

By 1895 the total number of home weavers in these trades had fallen by 30,000, the greatest fall having taken place in cotton. If one were to take the silk trade also into consideration the decline would be even more remarkable. In the older trades it was merely a case of a long, slow, weary process working itself out; in silk there was a sharp and painful revolution between '82 and '95. In the former year 53,000 out of 76,000 silk weavers were at work on hand looms. By 1895 the total number of weavers had fallen, thanks to power, to 56,000, and out of these but 18,500 were employed on the old machine. It is as sharp a change as that which took place in Bradford between 1833 and 1846, perhaps sharper.

The most curious fact, however, about the '95 census was that it registered an actual *rise* in the number of domestic wool weavers. But that rise in no way indicated a revival of the old trade. It was partly due to mere changes of classification and other difficulties incidental to a census. But the chief cause was not that. Like their fellows in England, the hand-loom weavers of Germany cling to the old trade with pathetic tenacity. Too often there is no other that they can turn to. It so happened that ten years ago the hand-loom woolen weaving was not suffering quite so severely as linen and cotton from the inroads of power, consequently the weavers, driven from the two latter trades, took refuge in the former. Hence the increase in number, a sign not of prosperity, but merely of the fact that the hand weavers were, so to speak, being driven into their last entrenchment, the old coarse woolen cloth making.

Since '95 the movement has gone on as before. There is no stopping it. The Government is alive to the situation, and makes, as I understand, special arrangements for the relief of the out of the way weaving villages — the linen weaving villages in the mountains of Silesia, for instance — when trade is slack. It is to be hoped that no attempts are made to keep them in the trade, that the Government confines itself merely to relieving those who are too old or unfitted for other work. It is no kindness to prop up a doomed trade, and no one can doubt that the trade is doomed. Its extinction is, no doubt, still far off, maybe

a generation off, but I should say less, in spite of the fact that there are few, very few, parts of Germany in which some home weaving is not done to this day. One can only wish that it may come soon, for the German hand weaver has been going through a process of starving out for thirty years, like the English weaver before him. It is sad, intensely sad, but trades must die like men; the loom must go the way of the distaff and the spinning wheel, there as here.

The story I have had to tell has not been a pleasant one. I called it tragic at the outset, and the word was not too strong. But at least it tells of growth as well as death, and that is all you can expect of any human story.

TEXTILE SCHOOL COMMENCEMENTS.

PHILADELPHIA TEXTILE SCHOOL.

THURSDAY, June 4, 1908, marked the close of the twenty-fourth year of the Philadelphia Textile School, a School of the Pennsylvania Museum and School of Industrial Art, the annual commencement exercises being held on that day in the American Academy of Music. Addresses were made by Hon. John E. Reyburn, Mayor of the city, and Congressman J. Hampton Moore. The diplomas were presented by Mr. Theodore C. Search, president of the institution, and known among textile men as the "Father of Textile Education in America." It is worthy of note that the number of diplomas granted, nineteen, was the largest in the institution's history. Following is a list of those to whom diplomas were awarded:

REGULAR TEXTILE COURSE. — Edwin Franklin Brooks, Samuel Walter Brown, Joseph Ernest Chappatte, Jacob Harold Felton, George Washington Fiss, Jr., Adolph Hoffmann, Ernest Martin Groos, Harold Blair Miller, Karl Rudolph Paul, Charles Miller Schwartz, Lawrence Boyce Stein, Matt. Grainger Thomas, Arthur Wells, Stanley Arthur Wise.

CHEMISTRY, DYEING, AND PRINTING COURSE. — Elmer Conrad Bertolet, Hallet Jean Foster, Henry Hines, Samuel Mansfield Jones, Roy Ainsworth Sykes.

The following awards of prizes were also announced in the Textile School:

Associate Committee of Women's Prize (for the best executed work in Jacquard Design, third year) — Ernest Martin Groos.

The Miss Clyde Prize (for best executed work in Jacquard Design, second year) — Arthur C. W. Classen, Jr.

The Elizabeth C. Roberts Prize (for best executed work in Jacquard Design, special classes) — Charles H. W. Mactague.

The Delta Kappa Phi Fraternity Prize (for the best general work executed on the hand Harness Loom, first year) — Frederick E. Wasson.

The Phi Psi Fraternity Prize (for the best work in color harmony and design, first year) — Edward J. McMillan.

The Textile World Record Gold Medal (for general excellence and thesis, chemistry, dyeing, and printing course) — Elmer Conrad Bertolet.

National Association of Cotton Manufacturers Medal (for general excellence, regular course, third year) — Karl R. Paul.

The Henry Friedberger Memorial Prize (for second in general excellence, third year, regular class) — Arthur Wells.

Prize of the Advisory Committee on Chemistry and Dyeing, in place of the Dyeing and Cleaning Journal, Chemical Balance (for best thesis in chemistry, second year) — William C. Thudium.

Ab. Kirschbaum & Co. Scholarship (for highest rating in first year, regular course) — Laurence A. Wechsler. Mr. Wechsler received second highest rating in his class, the first place being taken by Frank J. Nolan, who holds a State scholarship.

Prize Scholarships for the School Year 1908-1909 — Wilbur L. Kirby (third year regular course); Mr. Kirby received second highest rating in his class, the first place being taken by D. W. Strayer, who already holds the Kirschbaum Scholarship. David Alfred Smith (third year chemistry and dyeing course); Charles L. Benning (evening class), and Harry Leber (evening class).

In addition to the regular diplomas, numerous certificates were awarded for courses of study shorter than the regular three-year courses.

At the close of the exercises the audience adjourned to the school buildings for the purpose of viewing the annual exhibition of the students' work. It would be difficult to name a fabric not on display in the large assortment of upwards of 600 fabrics turned out by the students during the year just closed. When one stops to think that these are of commercial proportions, and made by the student from his own specifications, starting with the raw stock, some idea can be gained of the reason why the Philadelphia School's graduates are so well prepared for their life's work, and why they are sought for by those wishing to employ technically trained young men.

The annual meeting of the alumni association has grown to be an important event in commencement week. An attractive program was laid out for two days, starting with business routine and winding up with a day's outing on the Delaware river and a banquet in the evening. On the latter occasion over 150 were assembled, and the speakers, in addition to the Mayor of the

city, were Mr. George E. Smith, Vice-president of the National Association of Clothiers, Hon. Herman A. Metz, Comptroller of the City of New York, and Prof. Ludwig E. Faber.

During the summer months numerous improvements have been made at the school, so that the twenty-fifth year, which opens on Thursday, September 28, 1908, should present unusual opportunities for the student body. The staff of instructors will be practically unchanged, and besides many additions to the equipment of the various departments plans are being considered for the formation of an entirely new department, which when consummated will serve to further justify the high reputation for thoroughness and progress which this pioneer institution bears.

LOWELL TEXTILE SCHOOL.

The graduating exercises of the Lowell Textile School on June 4 were held before a large audience at the school.

One of the graduates, Geronimo H. Huising, of the Philippine Islands, delivered an address on the "Possibilities of Textile Development in the Philippines," and the following papers were read: "The Manufacture of a Fancy Worsted" prepared by J. F. Dwight, Jr., Leonard S. Farr, and Olin D. Gay, and "An Investigation of the Value of Formic Acid as an Adjunct in Various Textile Coloring Processes," prepared by Ernest W. Robinson and W. Elliot Weintz.

The formal address of the day was delivered by President Carroll D. Wright, of Clark College, who spoke on "Textile Education." He was followed by Principal Charles H. Eames, who laid emphasis on the system of education which is being developed at Lowell, a system to meet the needs of this country.

The following were the members of the graduating class:

DAY CLASS OF 1908.

WOOL MANUFACTURING COURSE. — George Richard Abbott, John Francis Dwight, Jr., Leonard Schaefer Farr, Olin Dow Gay, Howard Twisden Mailey, and Fred Bartlett Raynolds.

COTTON MANUFACTURING COURSE. — Geronimo Huerva Huising.

CHEMISTRY AND DYEING. — Horace W. C. S. Ballard, Walter Eastman Hadley, Le Roy Clark Lewis, Braman Proctor, Ernest Warren Robinson, William E. Weintz, and William Henry Wingate.

TEXTILE ENGINEERING. — Sylvanus Cushing Prince and Leland Aldrich Jenckes.

TEXTILE DESIGNING. — Joshua Dean Perkins.

The ninth annual meeting and banquet of the alumni association was held in the evening of commencement day, speeches being made by President A. G. Cumnock, James T. Smith, Clerk of the Board of Trustees, Frederick T. Fletcher, Treasurer of the Boott Corporation, and Principal Charles H. Eames.

At the business meeting a new constitution was adopted and the following officers were elected: President, Wm. H. Wingate; Vice-president, Arthur J. Hannigan; Secretary-Treasurer, Arthur A. Stewart; Executive Committee: S. E. Smith, two years; H. A. Bodwell, one year.

NEW BEDFORD TEXTILE SCHOOL.

The graduation exercises were held Friday evening, May 29, under the direction of Mr. H. W. Nichols, superintendent.

Addresses were made by the president of the school, Mr. William E. Hatch, and by the Hon. Arthur B. Chapin, treasurer of Massachusetts.

The exhibit of the work of the pupils showed gratifying progress, especially in the knitting department.

The graduates were as follows:

DAY CLASSES — DIPLOMA COURSES.

GENERAL COTTON MANUFACTURING COURSE. — William Gardner Blair, Chee Lee Tsu, and Chih Yeh Chang.

COTTON CARDING AND SPINNING COURSE. — William Booth and James Frank Kinney.

DESIGNING COURSE. — Lester Davenport Patt.

SEAMLESS HOSIERY KNITTING COURSE. — Yee Buck Deu and John V. Gallagher.

EVENING CLASSES — DIPLOMA COURSES.

GENERAL COTTON MANUFACTURING COURSE. — Philip Curtis Holmes.

CERTIFICATE COURSES.

COTTON PICKING, CARDING AND COMBING. — John G. Cananas, Charles Richmond Church, William F. Days, George Daniel Gendron, Isaiah Hadfield, James Martin, John James McAuliffe, Jr., James Alexander McKenzie, Hugh John Rooney, Thomas Brock Taber, and Walter Wilkinson.

MULE SPINNING. — Frank Buckley, Christopher Denham, Edward Foley, James Gill, Isaac M. Hibbs, and James Woollam.

RING SPINNING. — Louis Eustache Bachand, Harrison Stowell Jenney, and Henry Clay Perry, Jr.

COTTON SAMPLING. — Oscar Buffington, William Macy Miller, Ralph Boyd Wilson, Henry J. Ackerman, Samuel Leroy Allen,

Walter Loomis Coe, Joseph H. Cookson, Richard Cowell, Benjamin C. Danforth, James Griffin, Clinton Norman Hayes, Dexter W. Lewis, Walter H. Miller, Leander Allen Plummer, Jr., Robert Sibor, Wallace Chauncey Terry, James Alexander McKenzie, and Shorb Floyd Jones.

WARP PREPARATION. — Richard J. Barton, Joseph Bleasdale, Donat Bourassa, John Burke, John J. Gannon, and Richard Parkinson.

PLAIN WEAVING AND FIXING. — Heaton Atkinson, John Bradley, Oscar Lavoie, William Mitchell, Luke Murphy, George Oldham, Arthur Ousley, Milton Rothwell, Peter F. Slater, Joseph Taffe, Walter Thomas, John H. S. Wignall, Edward Winterbottom, and George Wright.

FANCY WEAVING AND FIXING. — William Acomb, Franklin M. Darling, Jr., Moses Dewhurst, David J. Finn, William Gorton, Walter Greenwood, James Halsall, James R. Riding, John Alfred Rothwell, John E. Sullivan, James Tootell, Frederick D. Walton, Herbert Ward, and Albert Whiteley.

FRENCH CLASS IN WEAVING AND FIXING. — Adelard Blanchette, Amedee Blanchette, Joseph Boulet, Joseph Chevrette, Adelard Courtemanche, Eli Duplessis, Harmidas Fontaine, Albert Fournier, James A. Gaucher, Arthur LeBeau, Hugh Lesieur, and Leo Reaume.

DESIGNING. — John C. Astley, Frederick Rudolph Brown, Christopher Cheetham, Frederick William Holt, Emanuel Ormerod, Thomas Rawcliffe, and Walter Sterling.

YARN MILL ARITHMETIC. — John Albert Lee, Leonard W. Maine, William T. Morgan, Leo Tremblay, Walter Whitehead, and P. Thomas Wing.

MECHANICS AND DRAWING. — Herbert Atkinson, Morris Henry Crompton, Simeon Broadmeadow Livesley, Lawrence Christian Maud, James D. Meakin, Manuel J. Perry, William Elwyn Rankin, Mark Redfern, John P. Stratton, Samuel Tablas, Daniel Kent Valentine, Harold H. Williamson, Arthur J. Zerbone, and William Edward White.

BRADFORD DUFEE TEXTILE SCHOOL, FALL RIVER.

The Bradford Duffee Textile School, J. W. Bailey, superintendent, held its graduating exercises Monday evening June 1. An address of welcome was made by Mr. Leontine Lincoln, president of the school, who also presented the diplomas and certificates. Other addresses were delivered by Messrs. John Thayer Lincoln, Rufus A. Soule, and James A. Cunneen before a large audience.

The following list of graduates received diplomas in various courses :

DAY COURSE — THREE YEARS — DIPLOMA.

GENERAL COTTON MANUFACTURING. — William Allan Evans.

EVENING COURSE — CERTIFICATES.

PICKING AND CARDING, Two Years. — William E. Ashton, Matthew H. Bower, Richard B. Chase, Arthur F. Fish, Abel Keighley, Francis J. Phelan, Louis F. Phelan, Harold C. Smith, Absalom C. Sutcliffe, and Edward I. Marvell.

RING SPINNING, One Year. — Albert E. Harrison, George Salter, Arthur F. Fish, William Glen, Jr., Michael J. Haran, Hugh J. Kelley, John Francis O'Neil, Frederick R. Puleston, Rufus P. Walker, William Chapman, Louis Philip Drapeau, Charles Gaudreau, and William A. Langfield.

MULE SPINNING, One Year. — Clifford C. Canfield, Robert Healey, William O. Higgins, William Schofield, and Samuel Wolstenholme.

MILL CALCULATIONS, One Year. — Alvarado B. Bean, William H. Broomhead, Leroy E. Dwelly, and John Lynch.

PLAIN LOOM FIXING, One Year. — Christopher T. Ainsworth, Joseph Boisselle, Jr., Claude Boocock, Joseph Burns, Frederick Bussiere, William Chapman, Daniel H. Daylor, John Gill, John J. Higginbottom, James G. Holland, Thomas Billington, James E. Booth, Adam Brooks, William Fellowes, James Haigh Harrison, James Heywood, John W. Hoyle, Albert William Jackson, Robert Mellor, John Slater, Peter Butler, Henry J. Plunkett, Francis J. Sullivan, Robert Wilkinson, Stephen Young, Joseph Skelly, and Luke Suthers.

BOX AND DOBBY LOOM FIXING, One Year. — Thomas Howard, T. William Laycock, George A. Tripp, Samuel Brierley, Alfred Courville, William Haigh, George E. Robinson, John L. Streakelum, Charles Wilkinson, Thomas Wilkinson, James H. Sampson, John Wilde, Edmund Scholes, and Alfred Hubert.

DOBBY DESIGNING, Three Years. — Fred Astin, Samuel F. Brickhill, John A. Collins, William Goodier, Louis F. Harrington, Robert Ormerod, George G. Wells, and William H. Bennett.

ELEMENTARY DESIGNING, One Year. — William E. Ashton, Gordon J. Harvey, James A. Murray, Thomas Townson, and Edward J. Vallyely.

GENERAL CHEMISTRY, One Year. — Howard G. Borden, John W. Brady, Edgar C. Chandler, John H. Grenfell, Jonathan P. Hadfield, Leroy Howard Hathaway, Fred D. Jones, and Wilfred Philip Pratte.

QUALITATIVE ANALYSIS, One Year. — Katherine A. Burke, Henry J. Duffy, Cyprien Felix Goulet, and Ephrem Nadeau.

QUALITATIVE AND QUANTITATIVE ANALYSIS, Two Years. — Suekichi Fujita and William Pearson.

ELEMENTARY DYEING, One Year. — Clarence W. Adams, John Conlon, Edward Smith, and Mark T. Smith.

FIRE PROTECTION FOR MANUFACTURING
ESTABLISHMENTS.

DR. JOHN L. HAYES, the first Secretary of this Association, was one of the earliest writers on the subject of fires in mills — woolen mills particularly engaging his attention. In 1869 when he began his investigations the study of fire prevention was in its infancy and the suggestions to be made to the man seeking information were few. Like all sciences, this science of improved mill construction has been radically changed within forty years. Four decades ago the prospective builder was advised to use either brick or stone, while at the present time the latter construction is deemed highly objectionable, owing to the tendency of stone to crack and splinter when exposed to heat.

The high charges imposed by the old stock companies for insurance on mill buildings caused mill owners to organize mutual companies for protection. At the same time such risks, owing to the frequency of disastrous conflagrations, compelled these companies — if lower rates were to be maintained — to reduce the causes of fires to a minimum; and a systematic effort was begun to study the causes for such fires and devise means for preventing them when possible. It was understood that fires could not be altogether prevented, and the next step was to confine the fire to the narrowest possible limits. This was accomplished in large part by the use of proper materials in construction and the adoption of various precautions for preventing rapid burning.

For forty years or more the Boston Manufacturers Mutual Fire Insurance Company has been keeping careful records of fires occurring in mills and their causes, with the object, constantly in view, of ascertaining means necessary to prevent conflagrations and to reduce the enormous losses annually suffered by the insurance companies and the mill owners. To this end the company has employed skilled mechanical engineers to conduct experiments with various building materials, to examine construction used in the erection of mills, and to make suggestions and submit plans to those proposing to erect mills, as to the best kind of buildings to erect. For much of the development of this important work, which has materially reduced the losses where the suggestions have been accepted, credit is given to the late Mr. Edward Atkinson, who constantly advocated better standards for

the Factory Mutual Companies and the establishment of the science for fire protection.

The company has lately issued a third and enlarged edition of its pamphlet entitled, "Slow Burning or Mill Construction" in which much valuable information is given to those intending to construct a mill building of any kind. The pamphlet covers every known method for reducing the risk of fires to a minimum, contains suggestions for desirable, and objections to faulty, construction and treats of the protection of structural steel from extreme heat, without which it is well known that in many cases sound timbers are much to be preferred to steel.

In speaking of the use of reinforced concrete the report urges the necessity of employing competent engineers and contractors, and asserts that the failures of these buildings during construction or afterwards can, in almost every instance, be traced to faulty design or irresponsible builders, who, in their effort to cheapen the structure, weaken it at vital points or hasten its construction beyond a safe limit.

Under the head of fire protection it treats of automatic sprinklers, fire-pails, hose, pumps, standpipes, hydrants and fire brigades, among other things saying:

During the last ten years in which the protection of main mills and works by automatic sprinklers (and now extended practically to all storehouses) has been substantially completed, the loss in these older Factory Mutual Fire Insurance Companies averaged four cents per hundred dollars annually as compared with sixty cents in other property, or in ratio of one to fifteen, and the average cost of insurance to the owners of our best factories reduced to less than seven cents.

Since the introduction of automatic sprinklers we have had no recurrence of a most dangerous type of fire, never very common, but when occurring very destructive; namely, explosions of gaseous products generated by the previous slow and imperfect combustion in stock and in goods. Such a slow fire in stock will generate heat sufficient to bring the automatic sprinklers into operation long before a sufficient volume of gas has been generated to become dangerous. Other slight explosive fires from small quantities of naphtha, such as are necessarily in use in some occupations, and in other substances have frequently been extinguished or held in check by automatic sprinklers.

The great majority of fires are extinguished by automatic sprinklers. In other cases they are often held in check by the sprinklers, perhaps with the assistance of fire pails, extinguishers, or small hose, until the heavier outside apparatus with large

powerful hose streams from yard hydrants supplied by pumps can be brought to bear. No piece of apparatus is more essential in a large manufacturing plant than the "Underwriter" Steam or Rotary Fire Pump, as it makes possible what is of greatest importance, namely, — reinforcement of existing gravity water supplies and delivery of fire streams at high pressure. It is of greatest assistance in the protection of property from fire in adjoining buildings which may hazard it, as in congested districts of cities.

Standpipes are of service in carrying water for hose streams to upper floors, thus making unnecessary the handling of hose on ladders or in towers, which is difficult and entails much delay.

Generally speaking, every city property or mill building over three stories ought to have standpipes in the towers, with a hose connection on each floor equipped with properly arranged hose and nozzles.

The benefits of good apparatus depend upon its *proper* and *intelligent* use. The value of it is often lost by inefficient men who do not keep it in order, or men who are not trained to handle it properly under good leadership. Hence the need of maintaining a drilled fire brigade whose duty it shall be to care for the apparatus and know the use of every valve, etc., connected with it and be ready at time of fire to acquit themselves to best advantage.

In this connection the need of efficient watchman's service must receive consideration. Hourly rounds are essential and in some plants every part is visited half-hourly. Watchmen should be able-bodied, intelligent men who are carefully instructed in the first use of the minor apparatus and giving alarm of fire, and have a definite knowledge of the location of each sprinkler valve that it may be shut off in case an emergency, such as breakage by freezing, requires it. Under no conditions should a large and valuable property be left without the presence of competent men at all times.

The value of fire walls and fire curtains is very clearly set forth; rules are laid down for the installation of pipe and hydrant service, showing, among other things, the cost of cast-iron pipe and the laying of the same, the frictional loss of power in the flow of water in pipes of various diameters, and the relative discharge capacity of pipes.

A table is given showing the weights and cubic dimensions of various classes of merchandise, such as wool, cotton, and jute in bales or bags, various textile goods in cases, grain in bags or in bulk, and many other items. Numerous cuts are presented giving general plans for ideal mill plants and the lay-out of fire protection, also showing belt, stairway, and elevator towers,

pneumatic conveyors for cotton and other material. Plans of great value to the intending builder are given for saw-tooth roof construction for one-story workshops, storehouses, and other plants.

The company invites correspondence and offers to give to prospective builders points of importance gained in its many years of experience with risks of this class, saying, among other things, "it is better to make an investment in the plant which will assure its permanency, rather than to invest it in fire insurance which is only paid after the property has been destroyed and the consequential losses have been incurred." The pamphlet can be obtained for a nominal sum by application to the office of the company.

PARTY PLATFORMS ON THE TARIFF.

As a matter of record we reprint from the party platforms their declarations on the tariff question. The Republican party's stand is stated thus:

REPUBLICAN PLEDGES FOR TARIFF REVISION.

The Republican party declares unequivocally for a revision of the tariff by a special session of Congress immediately following the inauguration of the next President and commends the steps already taken to this end in the work assigned to the appropriate committees of Congress which are now investigating the operation and effect of existing schedules. In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries. We favor the establishment of maximum and minimum rates to be administered by the President under limitations fixed in the law, the maximum to be available to meet discriminations by foreign countries against American goods entering their markets, and the minimum to represent the normal measure of protection at home; the aim and purpose of the Republican policy being not only to preserve, without excessive duties, that security against foreign competition to which American manufacturers, farmers, and producers are entitled, but also to maintain the high standard of living of the wage-earners of this country, who are the most direct beneficiaries of the protective system. Between the United States and the Philippines we believe in a free interchange of products with such limitations as to sugar and tobacco as will afford adequate protection to domestic interests.

The position of the Democratic party is as follows :

TARIFF.

We welcome the belated promise of tariff reform now affected by the Republican party in tardy recognition of the righteousness of the Democratic position on this question, but the people cannot safely intrust the execution of this important work to a party which is so deeply obligated to the highly protected interests as is the Republican party. We call attention to the significant fact that the promised relief was postponed until after the coming election — an election to succeed in which the Republican party must have that same support from the beneficiaries of the high protective tariff as it has always heretofore received from them ; and to the further fact that during years of uninterrupted power no action whatever has been taken by the Republican Congress to correct the admittedly existing tariff iniquities.

We favor immediate revision of the tariff by the reduction of import duties. Articles entering into competition with trust-controlled products should be placed upon the free list, and material reductions should be made in the tariff upon the necessities of life, especially upon articles competing with such American manufactures as are sold abroad more cheaply than at home, and graduated reductions should be made in such other schedules as may be necessary to restore the tariff to a revenue basis.

Existing duties have given to the manufacturers of paper a shelter behind which they have organized combinations to raise the price of pulp and of paper, thus imposing a tax upon the spread of knowledge. We demand the immediate repeal of the tariff on pulp, print paper, lumber, timber, and logs, and that these articles be placed upon the free list.

PERUVIAN VICUNA DISAPPEARING.

THE HERDS OF THIS VALUABLE MOUNTAIN ANIMAL ARE
DIMINISHING.

CONSUL-GENERAL SAMUEL M. TAYLOR, in a report from Callao, says that the graceful vicuna, one of the most useful members of the Peruvian fauna, is in danger of disappearing from the elevated plains of the Andes, and this seems to be so much realized that steps are to be taken to prevent their total extinction. Mr. Taylor adds :

Formerly it was nothing unusual for travelers in the Sierra to see great herds of the vicuna moving about on the high plateaus,

but now, in consequence of their being so persistently hunted, most of them have emigrated to higher altitudes, which are regions more arid and more rigorous in climate. Here many perish, not from the effects of the snow and hail storms prevailing there and which they are very well able to stand, but from sheer starvation, vegetation being extremely scarce at these great heights.

In the summer season the vicunas resort to the valleys in quest of food, which they are always able to find in abundance on springy ground and on the banks of the small streams and lakes. But these, unfortunately, are the places where they are usually hunted, with the result that they are continually taking fright and escaping to the higher regions, where, fearing to return, they perish of inanition, wandering around the dreary peaks of the great mountains.

According to figures issued, the exports of vicuna wool and hides from Peru during the last five years are as follows :

YEAR.	Wool.		Hides.	
	<i>Pounds.</i>	<i>Value.</i>	<i>Pounds.</i>	<i>Value.</i>
1902.....	4,078	\$1,773	2,694	\$660
1903.....	7,864	3,421	3,832	1,866
1904.....	8,618	3,739	4,066	2,193
1905.....	3,984	4,502	1,334	1,078
1906.....	11,102	12,092	3,334	1,297
Total	35,646	\$25,527	15,260	\$7,094

During the past two years the wool, which is a fine article of a reddish brown color, has been much in demand in England at from \$1 to \$1.25 per pound, but the supply is rapidly diminishing. The hides with the wool on are also in demand for rugs and are valued at from \$15 to \$50 for each rug, according to the care in selection.

THE WORLD'S IRON TRADE IN 1906.

THE WORLD'S PRODUCTION OF IRON ORE AND COAL.

THE following table, taken from the Annual Statistical Report of the American Iron and Steel Association, shows the world's production of iron ore and coal in 1906. Tons of 2240 pounds are used in giving the production of the United States, Great Britain, Canada, Cuba, India, Natal, the Transvaal, New South Wales, New Zealand, other Australasia, and "other countries,"

and metric tons of 2204 pounds are used for all other countries, the latter being used as the equivalent of English tons in ascertaining the total production of all countries. The statistics are from official sources. The Belgian coal statistics do not include lignite. With the exception of iron ore for Japan the figures are all for 1906.

COUNTRIES.	Iron Ore.			Coal and Lignite.		
	Years.	Production. Tons.	Per- centage.	Years.	Production. Tons.	Per- centage.
United States	1906	47,749,728	37.97	1906	369,783,284	36.86
Great Britain	1906	15,590,406	12.33	1906	251,067,628	25.03
Germany and Luxemburg	1906	26,734,570	21.26	1906	193,537,493	19.29
France	1906	8,481,423	6.74	1906	34,196,385	3.41
Belgium	1906	232,570	0.18	1906	23,569,860	2.35
Austria *	1906	2,390,175	1.90	1906	38,235,193	3.81
Hungary	1906	1,698,291	1.35	1906	7,602,944	0.76
Russia and Finland	1906	3,873,356	3.08	1906	21,643,800	2.16
Sweden	1906	4,502,597	3.58	1906	296,980	0.03
Spain	1906	9,448,533	7.51	1906	3,397,838	0.34
Italy	1906	384,217	0.31	1906	473,293	0.05
Canada	1906	† 222,171	0.18	1906	8,716,608	0.87
Newfoundland	1906	884,986	0.70	.....	.....	.....
Cuba	1906	† 649,421	0.52	.....	.....	.....
Transvaal .....	.....	.....	.....	1906	2,582,504	0.26
Natal .....	.....	.....	.....	1906	1,258,713	0.12
India	1906	74,106	0.06	1906	9,783,250	0.98
Greece	1906	680,620	0.54	1906	11,582	.....
New South Wales	1906	935	.....	1906	7,626,362	0.76
New Zealand .....	.....	.....	.....	1906	1,729,536	0.17
Other Australasia	1906	110,507	0.09	1906	970,054	0.10
Japan	1905	53,212	0.04	1906	12,980,103	1.29
Algeria	1906	779,826	0.62	.....	.....	.....
Other countries (about) ..	1906	1,308,350	1.04	1906	13,656,590	1.36
Total .....	.....	125,760,000	100.00	.....	1,003,100,000	100.00

* Includes Bosnia and Herzegovina.

† Shipments.

THE WORLD'S PRODUCTION OF PIG IRON AND STEEL.

In the following table is given the production of pig iron and steel in all countries in 1906. Tons of 2240 pounds are used for the United States, Great Britain, Canada, and "other countries," and metric tons of 2204 pounds for all other countries, metric tons being used as the equivalent of English tons in ascertaining the total production for all countries. The statistics of steel production for the United States, Great Britain, Germany and Luxemburg, France, Belgium, Austria-Hungary, Russia and Finland, Sweden, Spain, Italy, and Canada embrace ingots and for some countries direct castings, including the United States.

COUNTRIES.	Pig Iron.			Steel.		
	Years.	Production. Tons.	Per- centage.	Years.	Production. Tons.	Per- centage.
United States	1906	25,307,191	43.15	1906	23,398,136	45.82
Great Britain	1906	10,109,453	17.24	1906	6,575,000	12.88
Germany and Luxemburg	1906	12,292,819	20.96	1906	11,307,807	22.15
France	1906	3,314,162	5.65	1906	2,478,058	4.85
Belgium	1906	1,375,775	2.35	1906	1,440,960	2.82
Austria *	1906	1,267,890	2.16	1906	† 1,500,000	2.94
Hungary	1906	419,691	0.71	1906		
Russia and Finland	1906	2,661,029	4.54	1906	2,669,020	5.23
Sweden	1906	694,789	1.03	1906	398,047	0.78
Spain	1906	379,241	0.65	1906	258,455	0.51
Italy	1906	135,296	0.23	1906	390,740	0.76
Canada	1906	541,957	0.92	1906	570,889	1.12
Other countries (about) ..	1906	240,707	0.41	1906	72,988	0.14
Total		58,650,000	100.00	.....	51,060,000	100.00

* Includes Bosnia and Herzegovina.

† Estimated.

In tables that have appeared in previous issues of our Annual Report we have given the world's total production of pig iron in 1800 as 825,000 English tons; in 1830 as 1,825,000 tons; in 1850 as 4,750,000 tons; in 1870 as 11,900,000 tons; in 1880 as 17,950,000 tons; in 1890 as 29,157,000 tons; in 1900 as 40,400,000 tons; and we now estimate the total production in 1906 as amounting to 58,650,000 tons.

About thirty years ago we estimated the world's production of steel in 1878 as amounting to 3,021,000 English tons. Subsequently we estimated the production in 1889 as amounting to 10,948,000 tons and in 1900 to 27,430,000 tons. The figures given in the above table show that production had increased in 1906 to 51,060,000 tons.

ART TEXTILES AT CARTWRIGHT HALL.

From the Bradford "Observer" we reprint the appended note which describes an interesting collection of textiles loaned by the authorities of the Victoria and Albert Museum to Cartwright Hall, Bradford. The collection shows the progress of the art of weaving from the earliest times to the beginning of the nineteenth century, which is so well stated in the paper as to merit reproduction. It says:

The collection includes a few examples of the textiles found in Egyptian cemeteries — the earliest woven fabrics of which we

have any certain knowledge. Some of the fragments, dating from the days of the Roman occupation — about the first century A.D. — have inserted tapestry-woven panels, in dark blue and purple wools, with pattern chiefly floral in character. That the Egyptian weavers were skilful and not deterred by difficulties other pieces attest, for figure subjects, often of scenes from Greek and Roman mythology, are occasionally represented. Other early textiles allow the student to trace the introduction of Christian emblems and symbolic devices, at the time when the Christian influence became paramount by the conversion of Constantine (306–337), and it was about this period that a variety of colors was also employed. In the reign of Justinian (527–565), silk first became general by the introduction of silk-worm eggs from China. The garments of the fifth to the seventh centuries are frequently decorated with silk panels and bands, sometimes bearing Christian motives, but with a perceptible Persian (Sassanian) feeling running through them. In the seventh century Egypt came by conquest under Mohammedan rule, and the ornamentation of the garments was made to conform with the well-known rules of Saracenic art. Arabic inscriptions became popular, and gold and silver thread mingled with the silk upon the loom.

In the twelfth century the Norman King Roger of Sicily transported from Corinth, Thebes, and Athens a number of weavers, who were established at Palermo. This city became then the chief home of the weaving industry in Europe, and during the course of the thirteenth century great numbers of beautiful fabrics were produced upon its looms, their design showing distinct traces of the earlier Saracen occupation of the island. In the following century many Palermitan weavers migrated to those cities of Italy where looms had already been set up, and from this time is displayed a greater truth to nature. From the fifteenth century onwards the textile patterns follow the general development of ornamental design. It was impossible for a country such as Italy, with an extensive sea commerce, not to be influenced by her contact with Oriental people, and this becomes specially evident in the products of Venice. A great patron of the textile industry was the Church, and for the large hangings and spaces of her altars designs of a bold and striking character were necessary. The magnificent velvets and brocades of the fifteenth century are of this description. Broad, curving stems bearing heavy and elaborate flowers and foliage marking this period were often enriched with gold thread as a groundwork or in raised loops. For a time, too, these bold patterns were used for personal dress. But later in the sixteenth century, when the styles altered and garments became of a neater and closer cut, a small design became necessary and one that would not suffer in effect from the folds of a cloak or jacket. Small detached sprays of flowers in close regular arrangement are characteristic of the late sixteenth century fabrics. From

Italy silk weavers were introduced into France, and at Lyons one of the most famous centers of weaving sprang up, which flourished under the patronage of Francis I. (1515-1547) and his successors, continuing down to our own day, with a short interruption at the time of the Revolution. Under the reign of Louis XIV. a special kind of design was developed with groups of large flowers symmetrically arranged, a great variety of colors being employed. It was during this reign that the imitation of Chinese ornament first became prevalent. Under Louis XV. the flowers, though still in bunches, became smaller, being tied with ribbons, and the various motives joined up with waving bands decorated with lace-like fillings-in. Under Louis XVI. these designs became much more severe and restrained, the wavy bands now becoming perfectly straight and parallel and the flowers very sparse and exceedingly delicate. And finally, under Napoleon I. the style termed "Empire" was developed, which was a return to the severity of classical antiquity, resulting upon the discoveries then being conducted at Pompeii. Some day, no doubt, when museums are put upon a comprehensive and well thought out basis, the city will, if it can get it, possess such a collection of its own.

DECISIONS OF THE TREASURY DEPARTMENT ON THE WOOLEN TARIFF.

Mocha sheepskins.

T.D. 28300, Abstracts 15962 and 15998; T.D. 28351, Abstract 16255,
Protests against the assessment of duty sustained on authority of
T.D. 28248.

T.D. 28409, Abstract 16704; T.D. 28481, Abstract 17249,
Protests sustained on authority of T.D. 28190.

(T.D. 28325.)

Wool-flax fabrics.

UNITED STATES *v.* WALSH.

U.S. Circuit Court of Appeals, First Circuit. July 2, 1907. No. 702
(suit 1849).

1. FLAX-WOOL FABRICS — MANUFACTURES OF WOOL. — Flax-wool fabrics in which flax is the more valuable element are dutiable under paragraph 346, tariff act of 1897, as fabrics in chief value of flax, rather than under paragraph 366 as manufactures in part of wool, a contrary classification not being required by the proviso in paragraph 391 of the silk schedule that "all manufactures, of which wool is a component material, shall be classified and assessed for duty as manufactures of wool."
2. PROVISOS — SCOPE. — In construing paragraph 391, tariff act of 1897, relating to "all manufactures . . . of which silk is the component material of chief value," and

containing a proviso "that all manufactures, of which wool is a component material, shall be classified and assessed for duty as manufactures of wool," *Held* that the expression "all manufactures" in the proviso has relation only to the same words used in the beginning of the paragraph, this being in accordance with the ordinary rule that provisos at the close of an independent paragraph like this should be construed as only limiting or being limited by what precedes it therein.

APPEAL from the Circuit Court of the United States for the district of Massachusetts.

[Decision adverse to the Government.]

For decision below see T.D. 27921, affirming a decision of the Board of United States General Appraisers, Abstract 11698 (T.D. 27409), which had sustained the protest of F. T. Walsh against the assessment of duty by the collector of customs at the port of Boston.

Asa P. French, United States attorney, and *William H. Garland*, assistant United States attorney, for the United States.

Norman W. Bingham, for the importer.

Before COLT and PUTNAM, Circuit Judges, and ALDRICH, District Judge.

PUTNAM, *Circuit Judge*: This case turns on the construction of the proviso which concludes paragraph 391 of the customs act of 1897, which paragraph is as follows:

391. All manufactures of silk, or of which silk is the component material of chief value, including such as have india-rubber as a component material, not specially provided for in this Act, and all Jacquard figured goods in the piece, made on looms, of which silk is the component material of chief value, dyed in the yarn, and containing two or more colors in the filling, 50 per centum ad valorem: *Provided*, That all manufactures, of which wool is a component material, shall be classified and assessed for duty as manufactures of wool.

The United States maintain that this paragraph is to be constructed to cover all manufactures of which wool is a component material to the same extent as though the paragraph was a separate section of the act in question, and disconnected from the position which it occupies in "Schedule L — Silks and Silk Goods." If the United States are correct, the judgment of the Circuit Court must be reversed; otherwise it must be affirmed. A full statement of the circumstances is found in the opinion of the learned judge of the Circuit Court, to which we refer for any additional information required, and in which we concur. The Board of General Appraisers decided in favor of the importer, but the paragraph which we have quoted was not referred to by them. Apparently the United States made before them no claim arising out of it; and it certainly cannot be said that there has been any practical construction or application of the proviso which supports their present contention. On the other hand, the learned judge of the Circuit Court observes as follows:

Whatever interpretation be given to the proviso of paragraph 391, I cannot think that it was intended to control the language of all the

other paragraphs of the tariff act and to make many of them nugatory, as is contended by the Government.

According to the ordinary rule, a proviso at the close of a section, or of an independent paragraph like that now before us, is to be construed as only limiting, or as being limited by, what precedes it therein. Of course there are some necessary exceptions to the rule, the latest statement of each of which is found in *United States v. Falk* (204 U.S. 143, 149, 150; T.D. 27832). In view of the sweeping results explained by the learned judge of the Circuit Court which would follow from not applying the general rule to the present case, we must hold that it does so apply, and that the words "all manufactures" found in the proviso should be held to be only a repetition of the same words with which the paragraph begins, and as having absolute relation thereto.

The judgment of the Circuit Court is affirmed.

(T.D. 28516.)

Flax-wool fabrics.

UNITED STATES *v.* JOHNSON.

U.S. Circuit Court of Appeals, Second Circuit. November 8, 1907.

No. 60 (suit 4289).

FLAX-WOOL FABRICS — MANUFACTURES OF WOOL. — Flax wool fabrics in which flax is the more valuable element are dutiable under paragraph 346, tariff act of 1897, as fabrics in chief value of flax, rather than under paragraph 366 as cloths in part of wool, a contrary classification not being required by the proviso in paragraph 391 of the silk schedule that "all manufactures of which wool is a component material shall be classified and assessed for duty as manufactures of wool."

APPEAL from the Circuit Court of the United States for the southern district of New York.

[Decision adverse to the Government.]

For decision below see 154 Federal Reporter, 752 (T.D. 27897), affirming decisions of the Board of United States General Appraisers, which are reported as Abstract 11697 (T.D. 27409) and Abstract 11794 (T.D. 27426), and sustained protests of Charles A. Johnson & Co., against the assessment of duty by the collector of customs at the port of New York.

The case involves consideration of the following provisions of the tariff act of 1897 :

346 Woven fabrics . . . composed of flax, hemp or ramie, or of which these substances or either of them is the component material of chief value.

366. . . . Cloths . . . made wholly or in part of wool.

391. All manufactures of silk, or of which silk is the component material of chief value . . . and all Jacquard figured goods in the piece; . . . *Provided*, That all manufactures, of which wool is a component material, shall be classified and assessed for duty as manufactures of wool.

The material in controversy consists of woven fabrics of flax and wool, the former being the component of chief value. It was classified as "cloths . . . in part of wool," under said paragraph 366, the theory of this classification being that it was required by the terms of the proviso in said paragraph 391, as the goods were "manufactures, of which wool is a component material." The importers contended that classification should have been given under the provision in said paragraph 346 for "woven fabrics . . . of which [flax] is the component material of chief value."

The Government argued that the proviso was intended to cover all fabrics of which wool is a component, and that it had been located at that point in the tariff which would naturally be assigned to a provision intended to have this scope, being placed at the end of the four fabric schedules of the act, namely, I, J, K, and L, which embraced paragraphs 309 to 392, inclusive, and relate respectively to cotton goods (Schedule I), to linens and other manufactures of vegetable fiber (Schedule J), to woolens (Schedule K), and to silk goods (Schedule L).

In support of the collector's classification, the Government cited the decision of this court in *Rouss v. United States* (120 Fed. Rep., 1021), affirming a decision of Judge Coxe in *United States v. Rouss* (113 Fed. Rep., 817). In this case it was held that articles of cotton and wool, cotton predominating largely in value, were properly classified as —

Manufactures made wholly or in part of wool, under said paragraph 366, which is the paragraph under which the merchandise in this case was classified, and were not dutiable under paragraph 322 as "manufactures of cotton."

To the same effect there were cited other decisions by Judge Coxe in the Circuit Court, southern district of New York, in the cases of *Vandegrift v. United States* (113 Fed. Rep., 816) and *Converse v. United States* (113 Fed. Rep., 817).

Counsel for the importers relied on the decision by Judge Townsend in the Circuit Court, southern district of New York, in *United States v. Slazenger* (113 Fed. Rep., 524), and the decision of the Circuit Court of Appeals, first circuit, in *United States v. Walsh* (154 Fed. Rep., 770; T.D. 28325). In these decisions it was held that the influence of the proviso does not extend outside of the paragraph in which it is placed.

J. Osgood Nichols, assistant United States attorney, for the United States.

Hatch & Clute (*Waller F. Welch* of counsel), for the importers.

Before LACOMBE, WARD, and NOYES, Circuit Judges.

PER CURIAM: The single point in this case has been decided adversely to the Government in the Circuit Court of Appeals, first circuit (154 Fed. Rep., 770; T.D. 28325); and we see no reason to differ from its conclusion.

(T.D. 28588)

Flax-wool fabrics.

Decision of the United States Court of Appeals, second circuit (suit 4289), United States *v.* Chas. A. Johnson (T.D. 28516), involving the classification of flax-wool fabrics, acquiesced in.

TREASURY DEPARTMENT, December 7, 1907.

SIR: The Department is in receipt of a report from the United States attorney for the southern district of New York, in which he states that suit 4289, United States *v.* Chas. A. Johnson, was recently decided by the United States Circuit Court of Appeals, second circuit, adversely to the Government.

The merchandise in suit consists of flax-wool fabrics, the element of chief value of which is flax.

The merchandise was assessed with duty by you under paragraph 366 of the tariff act as fabrics in part of wool by virtue of the proviso to paragraph 391 of said act, and the importers protested against the classification, claiming that the fabrics were properly dutiable as manufactures of flax under paragraph 346. The Court, following the decision of the United States Circuit Court of Appeals, first circuit, United States *v.* Walsh (suit 1849), sustained the importers' contention.

The Attorney-General advises the Department that no further steps will be directed in the case, and you are, therefore, hereby authorized to forward the usual certified statement for the refund of the duties exacted in excess in settlement thereof.

Respectfully,

JAMES B. REYNOLDS,

Acting Secretary.

(19426.)

COLLECTOR OF CUSTOMS, *New York.*

(T.D. 28648 — G.A. 6697.)

Flax-wool fabrics.

Fabrics composed of a flax warp and a wool weft, flax being the component of chief value, are more specifically provided for under paragraph 346, tariff act of 1897, as fabrics composed in chief value of flax than under paragraph 366 as "manufactures . . . made wholly or in part of wool." — United States *v.* Johnson (T.D. 28516) followed.

United States General Appraisers, New York, December 21, 1907.

In the matter of protests 208712, etc., of Chas. A. Johnson & Co. *et al.* against the assessment of duty by the collector of customs at the port of New York. Before Board 1 (LUNT, SHARRETTs, and McCLELLAND, General Appraisers; SHARRETTs, G.A., absent).

LUNT, *General Appraiser*: The merchandise under protest consists (1) of certain "fine plain" and "super plain lapping," upon which duty was assessed at 44 cents per pound and 50 per cent ad valorem under paragraph 366 of the tariff act of 1897 as a "manufacture . . . made wholly or in part of wool, not specially provided for in this Act," and

(2) of certain "strong twill lappings," upon which duty was assessed at 33 cents per pound and 50 per cent ad valorem under the same paragraph. The importers claim said merchandise to be dutiable under paragraph 346 at the rates there provided, according to the weight and count of threads for "woven fabrics or articles not specially provided for in this Act, composed of flax . . . or of which (flax) . . . is the component material of chief value."

We find that the lappings are woven fabrics weighing more than 4½ ounces per square yard and counting between 60 and 120 threads to the square inch, composed of a flax warp and a wool weft, flax being the component material of chief value therein.

In Abstract 11697 (T.D. 27409) and Abstract 11794 (T.D. 27426) the Board held, following G.A. 5728 (T.D. 25431), that the provision for fabrics of which flax is the component material of chief value is more specific than that for manufactures made wholly or in part of wool, and on appeal the decisions of the Board were successively affirmed by the United States Circuit Court, southern district of New York in *United States v. Johnson* (154 Fed. Rep., 752; T.D. 27897), and the Circuit Court of Appeals for the second circuit (T.D. 28516). This result has been acquiesced in by the Treasury Department (T.D. 28588). To the same effect are the decisions by the Circuit Court of Appeals, first circuit, in *United States v. Walsh* (154 Fed. Rep., 770; T.D. 28325; affirming 154 Fed. Rep., 749; T.D. 27921), and the Circuit Court for the District of Rhode Island, in *United States v. Wilkinson Company* (154 Fed. Rep., 751; T.D. 28105).

Conforming to the decision of the Court, we hold that the lappings in question are dutiable at 2¾ cents per square yard and 30 per cent ad valorem, but the duty must not be less than 50 per cent ad valorem under paragraph 346 of said act.

The protests are sustained to this extent and the decision of the collector reversed.

Flax-wool fabrics.

T.D. 28653, Abstracts 17782, 17783, 17819, 17820; T.D. 28687, Abstracts 17868, 17926; T.D. 28703, Abstract 17960; T.D. 28775, Abstract 18201; T.D. 28833, Abstract 18427; T.D. 29056, Abstract 19125; T.D. 29073, Abstract 19135, and T.D. 29099, Abstract 19189,

Protests against assessment of duty sustained on authority of T.D. 28516.

T.D. 28868, Suits 1862 and 4201.

Dismissed, question being the same as in T.D. 28516.

Wool on the skin.

T.D. 28300, Abstract 15997.

Protest sustained and wool held dutiable at 3 cents per pound.

T.D. 28597, Abstract 17601.

Protest sustained, and wool classified as 3d class wool.

(T.D. 28330.)

Abstract Suit 1682. — GOAT HAIR. — F. B. Vandegrift & Co. v. United States. United States Circuit Court, eastern district of Pennsylvania, June 4, 1907. No. 50. On application for review of a decision of the Board of United States General Appraisers. For decision below see Abstract 3751 (T.D. 25780).

HOLLAND, *District Judge*: This is a petition to the Circuit Court praying for a review of a decision of the Board of General Appraisers, affirming the collector of the port of Philadelphia, assessing on a certain hair imported by the petitioners a duty at the rate of 12 cents a pound, under paragraphs 350 and 357 of Schedule K of the tariff act of July 24, 1897, imposing such a duty on "hair of the camel, Angora goat, alpaca and other like animals."

The petitioners claim the importations should be admitted free, under paragraph 571 of the free list, as "hair of horse, cattle and other animals," not specially provided for in the act.

The Board of General Appraisers, in the opinion filed in the case, finds from the evidence then before it that the importations are a "grade of Angora goat hair," and sustains the assessment as made by the collector. The testimony subsequently taken does not strengthen the claim of the importers. The finding of facts by the Board of General Appraisers is amply supported by the evidence which it had before it; and that afterwards taken did not at all weaken the claim of the Government as to the proper classification.

The decision of the Board of General Appraisers as to protests 104411 and 120953 is affirmed.

(T.D. 28459.)

Abstract No. 17098. — GOAT HAIR. — Protest 259364 of C. H. Groedel against the assessment of duty by the collector of customs at the port of New York. Before Board 1, October 17, 1907. Opinion by Lunt, G.A.

Merchandise classified as wool was claimed to be free of duty under paragraph 571 as goat hair. This contention was sustained as to 48 bales weighing 4390 kilos.

(T.D. 28435.)

Appraisement of wool.

Decision of the United States Circuit Court of Appeals, second circuit, Gulbenkian & Co. v. United States (T.D. 28079), acquiesced in.

TREASURY DEPARTMENT, September 30, 1907.

SIR: The Department is in receipt of a report from the United States attorney for the southern district of New York, in which he states that suit 4125, G. Gulbenkian & Co. v. United States (T.D. 28079), was recently decided in the United States Circuit Court of Appeals, second circuit, adversely to the Government.

The merchandise in suit, which consisted of wool, part of which was invoiced as "white" and part as "colored," was the subject of reappraisement proceedings under Section 13 of the customs administrative act of June 10, 1890, which sustained the advance in value made by the local appraiser. A protest was then filed under Section 14 of the said act, for the purpose of testing the legality of the appraisement and reappraisements.

The Attorney-General advises the Department that no further proceedings will be directed in this case, and you are therefore hereby authorized to forward the usual certified statement for a refund of the duties exacted in excess in settlement thereof.

Respectfully,

J. H. EDWARDS,
Acting Secretary.

(14548.)

COLLECTOR OF CUSTOMS, *New York.*

Manufactures of wool.

T.D. 28409, Abstract 16730.

Certain curtains so held under paragraph 366, act of 1897, Abstract 16733.

Wool traveling rugs so held under paragraph 366, act of 1897, Abstract 16733.

Wool powder puffs.

T.D. 28536, Abstract 17349; T.D. 28687, Abstract 17928; T.D. 28703, Abstract 17962.

Protest overruled on authority of T.D. 28222, G.A. 6611.

Fur wearing apparel in part wool.

T.D. 28429, Abstract 16787.

Held properly classified as wool wearing apparel under paragraph 370, act of 1897.

Wool gloves.

T.D. 28433, Abstract 16883.

Assessment affirmed, the question being if the gloves were composed in chief value of wool.

T.D. 28575, Abstract 17449; T.D. 28634, Abstracts 17716 and 17734.

Protests overruled on authority of T.D. 28468, Abstract 17159.

Felt bands.

T.D. 28468, Abstract 17157.

Merchandise invoiced as half [hair] felt and wool bands, held dutiable as manufactures in chief value of fur, under paragraph 450, act of 1897.

Wool hats and wool hat bodies.

T.D. 28468, Abstracts 17158 and 17160; T.D. 28889, Abstract 18488.

Classification affirmed. Held dutiable as wool wearing apparel.

(T.D. 28468.)

Abstract No. 17159. — WOOL — COTTON WEARING APPAREL, WOOL CHIEF VALUE. —

Protests 265943, etc., of J. and D. Lehman against the assessment of duty by the collector of customs at the port of New York. Before Board 1, October 24, 1907.

Merchandise classified under paragraph 370, tariff act of 1897, relating to "wearing apparel . . . in part of wool," was claimed by the importers to be dutiable under paragraph 314, relating to "wearing apparel . . . of which cotton . . . is the component material of chief value." Protests overruled.

LUNT, *General Appraiser*: . . . Samples of the merchandise were submitted to the United States appraiser at the port of New York for analyses; and from the report as returned by him we find the merchandise to consist of wool and cotton fibers; that the merchandise covered in the invoices by numbers 3004 and 3005 is composed in chief value of wool; and that the merchandise covered in the invoices by numbers 0271 and 0273 is composed in chief value of cotton.

The contention of the importers is directed against the merchandise found to be in chief value of cotton. This question is not new to the Board. It has been repeatedly held both by the Board and the courts that an article of wearing apparel composed of wool and cotton, cotton chief value, is properly dutiable at the rates prescribed in the wool schedule of the tariff act for articles of that character; and to support this view we have but to quote from the opinion of the Court in *Stone v. Heineman* (100 Fed. Rep., 940), which is as follows:

Paragraph 370 applies to all wearing apparel composed wholly or in part of wool; for I think it is obvious that the words in the paragraph

"and not specially provided for in this Act" refer only to felts not woven, while paragraph 314 applies only to wearing apparel composed of cotton or other vegetable fiber, or of which cotton or other vegetable fiber is the component part of chief value, not otherwise provided for in this act. The application of paragraph 314 is therefore restricted to such articles of wearing apparel containing cotton as are not otherwise provided for by the act, while paragraph 370 is not restricted and applies to wearing apparel containing wool.

We also quote from G.A. 4826 (T.D. 22674) :

Wearing apparel composed of cotton and wool is dutiable under paragraph 370 as "wearing apparel . . . composed wholly or in part of wool," and not under paragraph 314 as "articles of wearing apparel of every description . . . of which cotton . . . is the component material of chief value . . . not otherwise provided for," even though cotton be the component material of chief value. The fact that the provision for wearing apparel under paragraph 314 is qualified by the expression "not otherwise provided for" relegates such articles to paragraph 370, which is not so qualified.

Other cases to the same effect are *Zucker v. Magone* (37 Fed. Rep., 776) ; *Levi v. United States* (87 Fed. Rep., 193) ; *In re Goldenberg*, G.A. 2386 (T.D. 14628), and G.A. 4411 (T.D. 20993).

We therefore find the merchandise to be wearing apparel composed wholly or in part of wool, and hold it dutiable as assessed.

(T.D. 28536.)

Abstract No. 17348.—MANUFACTURES OF WOOL—INTERLINING.—Protest 271291 of C. A. Haynes & Co. against the assessment of duty by the collector of customs at the port of New York. Before Board 1, November 15, 1907.

Merchandise invoiced as domette and classified as manufactures of wool under paragraph 366, tariff act of 1897, was claimed to be dutiable under paragraph 368, which provides for "linings . . . and goods of similar description and character of which the warp consists wholly of cotton or other vegetable fiber, with the remainder of the fabric composed wholly or in part of wool." Protest overruled.

LUNT, *General Appraiser*: . . . The appraiser reports, and we find as facts, in the absence of any evidence to the contrary, that "the merchandise . . . is composed of cotton in the warp and coarse wool in the weft, loosely woven and generally known in the trade as 'interlining.' This interlining when used is placed between the regular lining and the outer fabric of coats and other garments to give them more body and warmth. These goods are not regarded as the coat lining and goods of similar description and character named in paragraph 368, as claimed by the protestants."

Fur coat in part of wool.

T.D. 28817, Abstract 18305.

Held dutiable as wool wearing apparel, T.D. 25629, G.A. 5799, followed.

(T.D. 28512.)

Abstract No. 17297.—CAMELS' HAIR FOR BRUSHES.—Protest 264073 of F. H. Cone against the assessment of duty by the collector of customs at the port of New York. Before Board I, November 12, 1907. Opinion by Lunt, G.A.

The protest related to merchandise in bunches and varying in length from 1 to 1½ inches, which is used in the manufacture of artists' brushes. The Board held that it had been properly classified as camel's hair under paragraphs 350 and 357, tariff act of 1897, overruling the importer's contention that it was free of duty as animal hair under paragraph 571.

T.D. 28468.

Abstract No. 17171.—SHEEPSKINS—RAW CABARETAS.—Protests 135863, etc., of International Hide and Skin Company against the assessment of duty by the collector of customs at the port of New York. Before Board I, October 24, 1907.

The merchandise consisted of certain skins, the hair on which was claimed by the importers to be free of duty. This contention was sustained in part.

MCCLELLAND, *General Appraiser*: . . . It is evident that the purpose of the protesting company was to establish that all of the skins in question were of whitehead mocha sheep, similar to those passed upon by the United States Supreme Court in *Goat and Sheepskin Import Company v. United States* (T.D. 28190); and we think upon the record they are entitled to succeed in their claim on the skins covered by protest 168055; but as to the skins described as "raw cabaretas" (protest 135863) there is no reliable evidence that they were from the mocha sheep. On the contrary, it appears that they were packed differently from the usual mode of packing Arabian skins, and this fact, together with the invoice description and the place of exportation, leads us to the conclusion that the claim thereon is not well founded.

(T.D. 28538.)

*Cabretta skins.*JOHNSON *v.* UNITED STATES.

U S. Circuit Court, Southern District of New York. November 12, 1907.
Suit 4615.

CABRETTA SKINS — WOOL. — The growth on cabretta skins is properly classified as "wool" under Schedule K, tariff act of 1897.

ON application for review of a decision of the Board of United States General Appraisers.

[Decision in favor of the Government.]

The decision below, which is reported as Abstract 13004 (T.D. 27649), affirmed the assessment of duty by the collector of customs at the port of New York on merchandise imported by Lawrence Johnson & Co.

Walden & Webster (Henry J. Webster of counsel), for the importers.

D. Frank Lloyd, assistant United States attorney, for the United States.

This is an appeal by the importers from a decision of the Board of United States General Appraisers which sustained the classification by the collector of the importations in question, namely, the growth on cabretta skins, as wool under the provisions in Schedule K, tariff act of 1897. The importers contend that it should have been admitted free of duty together with the skins, under paragraph 664 of said act, relating to skins of all kinds.

MARTIN, *District Judge*: I regard this as a different case from the former suit of the same importers (*Lawrence Johnson & Co. v. United States*, 140 Fed. Rep., 116; T.D. 27191), in that the growth on the skins in the case at bar is here proven to be commercially known and understood. This did not appear as a matter of proof in the former case. Otherwise the two cases are exactly alike. The case in the United States Supreme Court (*Goat and Sheepskin Import Company v. United States*, 206 U.S. 194; T.D. 28190), cited by counsel for the importer, seems to hold that the commercial designation should govern; and the comment of one of the general appraisers herein would seem to bring this case within that rule; but a majority of the Board held the other way and followed the decision of *Lawrence Johnson & Co. (supra)*. I do not regard the facts in the *Goat and Sheepskin Import Company* case (*supra*), decided in the Supreme Court, such as to be controlling of this case; and therefore I follow the *Lawrence Johnson & Co.* case, notwithstanding the additional evidence adduced.

The decision of the Board of General Appraisers is affirmed.

(T.D. 28580.)

*Silk-wool dress goods.*UNITED STATES *v.* SCRUGGS.

U.S. Circuit Court of Appeals, Eighth Circuit. November 6, 1907.
No. 2521 (suit 1793).

1. SILK-WOOL DRESS GOODS — MANUFACTURES OF WOOL. — The proviso in paragraph 391, tariff act of 1897, requiring that "all manufactures, of which wool is a component material, shall be classified and assessed for duty as manufactures of wool," includes all goods composed of silk and wool, whether covered by said paragraph or not; and silk-wool dress goods, silk chief value, are thereby removed from the provision in paragraph 387 for woven fabrics in part of silk, to that in paragraph 369 for "women's and children's dress goods . . . in part of wool."
2. PROVISIO — LIMITATION TO PARAGRAPH IN WHICH FOUND. — A proviso is not necessarily to be construed with reference solely to the paragraph to which it is attached; its scope depends upon its words and import rather than upon the divisions made in the statute for purposes of convenience.

APPEAL from the Circuit Court of the United States for the eastern district of Missouri.

[Decision in favor of the Government.]

For decision below see 147 Federal Reporter, 888 (T.D. 27652), affirming a decision of the Board of United States General Appraisers, which is reported as Abstract 9272 (T.D. 26890) and which sustained the protest of Scruggs, Vandervoort & Barney Dry Goods Company against the assessment of duty by the surveyor of customs at the port of St. Louis.

Edward P. Johnson, assistant United States attorney (*Henry W. Blodgett*, United States attorney, on the brief), for the United States.

Everit Brown (*Ralph Pierson*, on the brief), for the importers.

Before VAN DEVANTER and ADAMS, Circuit Judges, and RINER, District Judge.

ADAMS, *Circuit Judge*, delivered the opinion of the Court: This case involves the correct classification for duty under the tariff act of 1897 (30 Stat., 151), of certain imported merchandise, consisting of woven fabrics in the piece, the same being women's and children's dress goods composed of silk and wool. The question is whether the merchandise comes within the purview of paragraph 369 of "Schedule K, Wool and manufactures of wool," or paragraph 387 of "Schedule L, Silks and silk goods." The collector of customs at St. Louis classified it under the wool schedule. The Board of General Appraisers on protest filed and due procedure taken by the importers disapproved of that classification and held that the goods should be classified under paragraph 387 of the silk schedule. An appeal was taken to the Court below from the decision of the Board of General Appraisers. It affirmed the decision of the Board and ordered the collector to reliquidate the entry accordingly. From that decision an appeal was prosecuted to this court.

Paragraph 369 imposes upon women's and children's dress goods and other goods composed wholly or in part of wool a certain duty. Paragraph 387 imposes upon woven fabrics in the piece of certain designated weight and containing more than 30 per cent in weight of silk a certain duty less in the aggregate than that provided for in paragraph 369. The important and distinguishing feature of the goods embraced in the two paragraphs is that those embraced in paragraph 369 must be composed in part at least of wool while those embraced in paragraph 387 must be composed in part at least of silk. The weight and other specific features of the goods described in the two are unimportant for our present purpose. Paragraph 369 is more general in its description and undoubtedly covers the merchandise in question. Paragraph 387 is more specific in description, but not so much so as to exclude the merchandise in question. In other words, the importation comes well within the narrow and more specific description of that paragraph. A large part of the argument before us was on the contention that, because of the limitation which narrowed the classification in paragraph 387 and because the importation in question falls within that narrow description, it should, under the authority of *Hartranft v. Meyer* (135 U.S. 237) and other cases cited, be classified for duty under that paragraph. But in the view we take of other provisions of the act, our conclusion is not at all dependent upon that consideration.

The silk schedule is embraced within paragraphs 384 to 391, both inclusive, of the act (30 Stat., 185 *et seq.*). It includes both unmanufactured and manufactured silk; silk in the process of conversion from raw silk to singles, tram, organize, sewing silk, twist, floss and silk threads or yarns of every kind and silk in manufactured fabrics of different weights and proportions. Whatever other materials may be in the manufactures, silk must be a component part of each; and in many instances it is the component material of chief value. Paragraph 391, which closes the schedule so far as the enumeration of articles subject to duty is concerned, is in the following words:

All manufactures of silk, or of which silk is the component material of chief value, including such as have india rubber as a component material, not specially provided for in this Act, and all Jacquard figured goods in the piece, made on looms, of which silk is the component material of chief value, dyed in the yarn, and containing two or more colors in the filling, 50 per centum *ad valorem*; Provided, That all manufactures, of which wool is a component material, shall be classified and assessed for duty as manufactures of wool.

The Government contends that the proviso just quoted is determinative of this case; that its clear intent and purpose is to relegate every manufacture of silk of which wool forms a component material of any value at once to the wool schedule and to make it subject to a duty under the appropriate paragraph of that schedule. The importer on

the other hand contends that the proviso in question is limited in its operation to Section 391.

Which of these contentions is correct?

The answer to this question depends upon the legislative intent as manifested by the whole act. The proviso in question in the language employed is broad enough to fairly cover the imported articles in question, of which silk and wool are component materials; and Congress is presumed to intend what the language employed fairly imports. *Brun v. Mann* (151 Fed. Rep., 145, 147).

But it is contended that it relates only to those manufactures referred to in the paragraph (391) of which it is a part, and has no relation to manufactures which afford the subject-matter of some of the other immediately preceding paragraphs of the silk schedule, such as the woven fabrics in the piece, the handkerchiefs or mufflers, etc., found in 387 and 388, respectively. We cannot agree to this contention. The proviso is found at the end of the silk schedule, after an enumeration of many manufactured articles composed in the whole or in part of silk, including woven fabrics in the piece. Congress was dealing with manufactures of silk generally. Its mind was dwelling on that subject, and we have no doubt that the word "manufactures," employed in the proviso, refers to any and all manufactures of silk specified in the schedule then under consideration. The contention that, if the proviso is given operation beyond the confines of the particular paragraph in which it appears, it cannot be stopped by the limits of the silk schedule but must operate throughout the entire act on all the schedules and would create interminable confusion, is not sound or persuasive. See cases *infra*. It fails to regard the subject on which the legislative mind was dwelling. General language is often employed in treating of a given subject and in its interpretation is necessarily and rationally limited to that subject.

But it is said that there is a well-settled rule that a proviso is to be construed with reference to the immediately preceding parts of the clause to which it is attached and limits only the passage to which it is appended. We do not think there is any mechanical limitation of that kind. Endlich, in his work on the interpretation of statutes, invoked by counsel for the importer as his authority, in Section 185 lays down the rule that a reasonable operation must be given to the proviso consistent with the principal object of the act; and in Section 186 he says:

The question whether a proviso . . . restrains or operates upon the immediately preceding provisions only of the statute, or whether it must be taken to extend in whole or in part to all the preceding matters contained in the statute, must depend . . . upon its words and import, and not upon the division into sections that may be made for convenience of reference in the printed copies of the statute.

In *United States v. Babbitt* (1 Black., 55, 61) the Supreme Court had

under consideration a proviso to an act. It was confronted with the same argument as was made before us. It was answered thus:

We are of the opinion that the proviso referred to is not limited in its effect to the section where it is found, but that it was affirmed by Congress as an independent proposition, and applies alike to all officers in this class.

The conclusion that the proviso was intended to operate upon the whole silk schedule is in harmony with and in execution of the general legislative intent disclosed in the wool schedule, namely, that all imported articles containing any part of wool should be taxed in a certain way. To avoid the possibility of silk articles containing some part of wool being taxed under the silk schedule instead of under the general wool schedule, the proviso in our opinion was enacted. District and later Circuit Judge Coxe, in *Arnold v. United States* (113 Fed. Rep., 1004) had under consideration a similar proviso in the silk schedule of the customs act of 1890 (26 Stat., 567), and reached the conclusion which we now reach. The cases of *United States v. Slazenger* (113 Fed. Rep., 524), and *United States v. Walsh*, recently decided (154 Fed. Rep., 770; T.D. 28325), which are relied on by the importer's counsel, are, in our opinion, not in conflict with the conclusion we have reached but rather in full harmony with it. District and later Circuit Judge Townsend in the first-mentioned case had under consideration the proper classification of tennis balls made of wool and rubber, of which silk did not constitute a component material. He held that the proviso in question did not extend to such a manufacture. The question there in judgment was whether the proviso was so independent of all the provisions of the silk schedule as to apply to any and all manufactures of which wool was a component material, whether they contain silk or not. He held it was not. The Walsh case raised the same question. Putnam, Circuit Judge, in delivering the opinion of the Circuit Court of Appeals, said:

This case turns on the construction of the proviso which concludes paragraph 391 of the customs acts of 1897. . . . The United States maintained that this paragraph is to be construed to cover all manufactures of which wool is a component material to the same extent as though the paragraph was a separate section of the act in question, and disconnected from the position which it occupies in "Schedule L, Silks and silk goods." . . . A full statement of the circumstances is found in the opinion of the learned judge of the Circuit Court, to which we refer for any additional information required, *and in which we concur*.

The imported merchandise there in judgment was classified under "Schedule J, Flax, hemp, jute, and manufactures of." It contained no silk, and of course had no place in "Schedule L, Silks and silk goods," and the Circuit Court of Appeals held that the proviso was not such an independent section as to cover any manufactures whether containing

silk or not, but that it must be read as a proviso to the silk schedule only. Judge Lowell, who presided at the trial in the Circuit Court, held that the proviso relates only to goods composed of wool and silk and does not require that fabrics in chief value of flax should be removed from their appropriate schedule and, because of the proviso, be made dutiable under the wool schedule merely because they were composed in part of wool. He said:

Whatever interpretation be given to the proviso of paragraph 391, I cannot think that it was intended to control the language of all the other paragraphs of the tariff act and to make many of them nugatory, as is contended by the Government. Probably the proviso will be construed best in accordance with the intention of Congress if it be limited to fabrics *part of silk and part of wool* (154 Fed. Rep., 748; T.D. 27921).

Judge Putnam, after expressing his concurrence in Judge Lowell's opinion, said:

In view of the sweeping results explained by the learned judge of the Circuit Court which would follow from not applying the general rule to the present case, we must hold that it does apply, and that the words "all manufactures" found in the proviso should be held to be only a repetition of the same words with which the paragraph begins, and as having absolute relation thereto.

These opinions, instead of making against the contention of the Government in this case, make strongly for it. We fully agree with them. The words "all manufactures" in the proviso, when read in the light of the true interpretation, according to the manifest meaning of Congress are as follows:

All manufactures of silk embraced within the silk schedule of which wool is a component material shall be classified and assessed for duty as manufactures of wool.

The Circuit Court erred in affirming the decision of the Board of General Appraisers. It should have classified the merchandise in question as "manufactures of wool," as was done by the collector of customs. The decree of the Circuit Court is reversed, and the cause remanded with directions to proceed in accordance with this opinion.

(T.D. 28868.)

Abstract Suit No. 1793. — SILK-WOOL DRESS GOODS. — Scruggs, Vandervoort & Barney Dry Goods Company v. United States. United States Supreme Court, March 16, 1908. No. 636. On petition for a writ of certiorari to the United States Circuit Court of Appeals for the eighth circuit.

Petition *denied*. The importers contended that silk-wool dress goods, silk the component of chief value, are dutiable as silk fabrics under

paragraph 387, tariff act of 1897, rather than as manufactures of wool by virtue of the proviso in paragraph 391. For decision below see 156 Federal Reporter, 940 (T.D. 28580), reversing a decision by the Circuit Court for the eastern district of Missouri (147 Fed. Rep., 888; T.D. 27652), which had affirmed a decision by the Board of United States General Appraisers, which is reported as Abstract 9272 (T.D. 26890), and reversed the assessment of duty by the surveyor of customs at the port of St. Louis. It is announced by counsel for the importers that another case on this issue will be litigated in another circuit.

Silk-wool dress goods.

T.D. 28977, Abstract 18826; T.D. 28998, Abstract 18914; T.D. 29031, Abstracts 18983 and 19008; T.D. 29056, Abstract 19126; T.D. 29099, Abstract 19188.

Protests overruled on authority of T.D. 28580.

COMPARATIVE STATEMENT OF IMPORTS AND EXPORTS OF
WOOL AND MANUFACTURES OF WOOL FOR THE TWELVE
MONTHS ENDING JUNE 30, 1907 AND 1908.

GROSS IMPORTS.

ARTICLES AND COUNTRIES.	Quantities for Twelve Months ending June 30.		Values for Twelve Months ending June 30.	
	1907.	1908.	1907.	1908.
WOOL, HAIR OF THE CAMEL, GOAT, ALPACA, ETC., AND MANUFACTURES OF :				
UNMANUFACTURED—				
Class 1—Clothing (dutiable)—	<i>Pounds.</i>	<i>Pounds.</i>		
Imported from—				
United Kingdom	24,558,505	15,253,234	\$6,483,028	\$3,244,567
France	104,238	37,047	16,168	5,871
South America	21,198,506	13,307,481	4,911,062	2,399,700
Asia and Oceania	35,453,636	16,437,118	9,539,994	4,485,764
Other countries	1,667,231	762,523	428,052	142,297
Total	82,982,116	45,798,303	\$21,378,304	\$10,278,199
Class 2—Combing (dutiable)—				
Imported from—				
United Kingdom	7,306,317	9,423,296	\$2,235,736	\$2,534,370
Other Europe	184,706	888,874	66,823	315,712
British North America	1,472,922	1,253,606	425,434	315,560
South America	1,688,797	1,676,410	501,087	428,229
Other countries	18,636	90,354	6,201	30,746
Total	10,671,378	13,332,540	\$3,235,281	\$3,624,617
Class 3—Carpet (dutiable)—				
Imported from—				
United Kingdom	17,638,896	13,054,750	\$3,245,118	\$1,916,209
France	3,154,019	1,598,044	599,106	281,725
Germany	1,820,750	1,239,449	336,004	233,709
Other Europe	27,416,155	20,997,609	4,314,282	3,292,891
South America	3,475,631	1,008,190	772,940	137,914
Chinese Empire	36,612,387	18,137,991	4,479,355	2,148,878
Other Asia and Oceania	19,638,362	10,782,751	3,105,466	1,748,953
Other countries	437,851	30,897	68,172	1,843
Total	110,194,051	66,849,681	\$16,920,443	\$9,762,122
Total unmanufactured	203,847,545	125,980,524	\$41,534,028	\$23,664,938
MANUFACTURES OF—				
Carpets and Carpeting (duti- able)—	<i>Sq. Yards.</i>	<i>Sq. Yards.</i>		
Imported from—				
United Kingdom	198,431	145,035	\$527,969	\$361,178
Other Europe	697,418	384,060	3,230,920	1,745,247
Asia and Oceania	167,548	155,730	646,769	670,512
Other countries	4,613	1,959	29,409	17,129
Total	1,068,010	686,784	\$4,435,067	\$2,795,066

COMPARATIVE STATEMENT OF IMPORTS OF WOOL. 347

COMPARATIVE STATEMENT OF IMPORTS AND EXPORTS OF
WOOL, Etc.GROSS IMPORTS. — *Continued.*

ARTICLES AND COUNTRIES.	Quantities for Twelve Months ending June 30.		Values for Twelve Months ending June 30.	
	1907.	1908.	1907.	1908.
	<i>Pounds.</i>	<i>Pounds.</i>		
Clothing, ready-made, and other wearing apparel, except shawls and knit fabrics (dutiable) . . . . .	.....	.....	\$1,674,915	\$1,620,270
CLOTHS—(dutiable)— Imported from—				
United Kingdom	2,488,418	2,118,849	\$2,947,032	\$2,558,174
Austria-Hungary	415,277	275,273	388,069	269,737
Belgium	291,075	407,687	286,334	401,165
France	199,668	125,452	246,505	167,577
Germany	1,929,217	1,500,991	1,850,035	1,443,313
Other countries	12,891	14,996	14,225	19,830
Total	5,336,546	4,443,248	\$5,732,200	\$4,859,796
DRESS GOODS, WOMEN'S AND CHILDREN'S—(dutiable)— Imported from—	<i>Sq. Yards.</i>	<i>Sq. Yards.</i>		
United Kingdom	19,491,043	22,296,361	\$3,311,868	\$3,717,128
France	17,510,009	13,737,380	3,487,205	3,188,447
Germany	9,336,612	8,716,622	2,321,519	2,228,870
Other countries	587,253	284,779	119,653	83,359
Total	46,924,917	45,035,142	\$9,240,245	\$9,217,804
	<i>Pounds.</i>	<i>Pounds.</i>		
Knit fabrics (dutiable) . . . . .	.....	.....	\$210,856	\$35,635
Mungo, flecks, shoddy, noils, wool extracts, rags, and waste (dutiable)	674,289	1,265,038	271,116	125,804
Yarns (dutiable)	195,797	192,826	154,668	151,035
All other (dutiable) . . . . .	.....	.....	602,393	582,568
Total manufactures of . . . . .	.....	.....	\$22,321,460	\$19,387,978

COMPARATIVE STATEMENT OF IMPORTS AND EXPORTS OF
WOOL, Etc. — *Concluded.*

EXPORTS OF WOOL AND MANUFACTURES OF.

FOREIGN.				
ARTICLES.	1907.	1908.	1907.	1908.
	Quantities.	Quantities.	Values.	Values.
WOOL, HAIR OF THE CAMEL, GOAT, ALPACA, ETC., AND MANUFACTURES OF:				
UNMANUFACTURED—				
Class 1—Clothing (dutiable) lbs .	1,655,994	1,259,105	\$318,675	\$280,363
Class 2—Combings “ “ .	270,845	25,296	71,498	7,253
Class 3—Carpet “ “ .	1,305,069	4,159,604	146,149	614,907
Total unmanufactured	3,231,908	5,444,005	\$536,322	\$902,523
MANUFACTURES OF—				
Carpets and carpeting, sq. yds., dutiable	10,965	13,240	\$42,414	\$114,909
Clothing, ready made, and other wearing apparel, except shawls and knit fabrics, dutiable . . .			9,767	21,700
Cloths, pounds, dutiable	18,396	80,213	16,434	74,909
Dress goods, women's and chil- dren's, sq. yds., dutiable . . .	171,794	337,339	30,966	58,679
Knit fabrics, dutiable			132	
Mungo, flecks, shoddy, noils, wool extracts, rags, and waste, pounds, dutiable	4,114	8,178	93	733
Yarns, pounds, dutiable	892		669	
All other, dutiable			35,749	14,129
Total manufactures of			\$136,224	\$285,059
DOMESTIC.				
WOOL, AND MANUFACTURES OF —				
Wool, raw, lbs.	214,840	182,458	\$48,820	\$42,104
MANUFACTURES OF—				
Carpets, yards	67,915	66,887	\$57,781	\$63,074
Dress goods, yards	6,551	18,266	5,674	13,668
Flannels and blankets			54,937	32,098
Wearing apparel			1,688,778	1,717,833
All other			431,936	393,142
Total			\$2,239,106	\$2,219,815

QUARTERLY REPORT OF THE BOSTON WOOL MARKET
 FOR APRIL, MAY, AND JUNE, 1908.

DOMESTIC WOOLS. (GEORGE W. BENEDICT.)

	1908.			1907.
	April.	May.	June.	June.
OHIO, PENNSYLVANIA, AND WEST VIRGINIA.				
(WASHED.)				
XX and above	32	30	29 @ 30	34 @ 34½
X	30	28	27 @ 28	32 @ 32½
¾ Blood	34	31	31 @ 32	40
“	34	31	31 @ 32	39
“	32	30	30 @ 31	38
Fine Delaine	36	34	32	37½ @ 38
(UNWASHED.)				
Fine	22	20	20 @ 21	26
¾ Blood	28 @ 29	24 @ 25	25 @ 26	33½ @ 34
“	28 @ 29	24 @ 25	25 @ 26	33
“	26	22 @ 23	23 @ 24	31
Fine Delaine	28	24 @ 25	24 @ 25	30 @ 30½
MICHIGAN, WISCONSIN, NEW YORK, ETC.				
(WASHED.)				
Fine	33	30	30 @ 31	38 @ 39
¾ Blood	33	30	30 @ 31	38
“	31	28	29 @ 30	37
Fine Delaine	34	32	31 @ 32	36
(UNWASHED.)				
Fine	22	18	18 @ 19	25
¾ Blood	28	23 @ 24	24 @ 25	33
“	27	23 @ 24	24 @ 25	33
“	25	21 @ 22	22 @ 23	30
Fine Delaine	26	23 @ 24	23 @ 24	28½ @ 29½
KENTUCKY AND INDIANA.				
(UNWASHED.)				
¾ Blood	29	24	24 @ 25	33
“	26	21 @ 22	22 @ 23	30
Braid	20	18 @ 19	18 @ 19	28
MISSOURI, IOWA, AND ILLINOIS.				
(UNWASHED.)				
¾ Blood	27	22 @ 23	23 @ 24	31
“	25	20 @ 21	21 @ 22	30
Braid	19	17 @ 18	17 @ 18	27 @ 28
TEXAS.				
(SCOURD BASIS.)				
Spring, fine, 12 months	60 @ 61	53 @ 54	50 @ 52	71 @ 72
“ “ 6 to 8 months	47 @ 48	43 @ 45	43 @ 45	64 @ 65
“ medium, 12 months	48 @ 50	43 @ 45	43 @ 45	63 @ 64
“ “ 6 to 8 months	40 @ 42	40	40 @ 41	55 @ 57
Fall, fine	40 @ 42	38 @ 40	40 @ 41	57 @ 58
“ medium	35 @ 37	33 @ 35	35 @ 36	52 @ 55
CALIFORNIA.				
(SCOURD BASIS.)				
Spring, Northern, free, 12 months	56 @ 57	50 @ 52	48 @ 50	68 @ 69
“ “ “ 6 to 8 months,	46 @ 47	43 @ 45	43 @ 45	62 @ 63
Fall, free	35 @ 37	33 @ 35	33 @ 35	57 @ 58
“ defective	25 @ 30	25 @ 28	25 @ 28	40 @ 45
TERRITORY WOOL: Montana, Wyoming, Utah, Idaho, Oregon, etc.				
(SCOURD BASIS.)				
Staple, fine and fine medium	60 @ 63	53 @ 55	55 @ 57	69 @ 71
“ medium	53 @ 55	48 @ 50	50 @ 52	65 @ 66
Clothing, fine	50 @ 52	45 @ 47	48 @ 50	68 @ 69
“ “ medium	48 @ 50	43 @ 45	45 @ 46	67 @ 68
“ medium	43 @ 45	40 @ 43	42 @ 43	60 @ 62
NEW MEXICO. (Spring.)				
(SCOURD BASIS.)				
No. 1	50 @ 52	47 @ 48	48 @ 50	65 @ 66
No. 2	40 @ 42	38 @ 40	40 @ 41	54 @ 55
No. 3	27 @ 28	25 @ 27	26 @ 28	42 @ 43
No. 4	22 @ 23	20 @ 22	22 @ 23	35 @ 36
NEW MEXICO. (Fall.)				
(SCOURD BASIS.)				
No. 1	39 @ 40	37 @ 38	38 @ 40	none here
No. 2	33 @ 34	31 @ 32	32 @ 33	“
No. 3	24 @ 27	23 @ 25	25 @ 27	“
No. 4				“
GEORGIA AND SOUTHERN.				
Unwashed	21	20	21	29

DOMESTIC WOOL.

JUNE 30, 1908.

The second quarter (April-June) is always an unsatisfactory one from the dealers' standpoint as it marks the cleaning up of the wool year *here* and the beginning of another season in the country, usually attended with irregularity and uncertainty of values and with little chance of profit.

As a rule (and this year is not exceptional) stocks during this period are much depleted and selections unattractive, and this is true now as regards staple wools, while clothing grades are in good supply. Manufacturers have generally covered on their heavy weight orders and naturally assume a waiting policy until they can size up the opening of the new clip in the country.

This year the very unsatisfactory conditions in the goods market have made manufacturers unusually apathetic and cautious, with the result that prices on most grades have gradually declined to a point 25 to 30 per cent lower than they were a year ago and are about on a parity with values of five years ago. For instance, fine medium clothing territory wool, which may be taken as a standard grade, and which is now selling at about 47 to 48 cents clean, was quoted in the corresponding period last year at about 67 to 68 cents clean, and we have to go back to 1903 to find values as low as at present. Even with this decline there seems to be no disposition to speculate on the part of dealers or manufacturers, although it is generally considered that the bottom has been touched and any change must be in the nature of improvement.

Staple grades have been in better demand and the supply is limited; hence the depreciation in this class of stock is not quite so marked.

During the past three months large sales of $\frac{1}{4}$ blood fleeces have been made, including Missouri, Michigan, and Ohio, at from 21 to 22 $\frac{1}{2}$ cents per pound for wools which were quoted in our last report at from 26 to 28 cents. On this grade, however, as well as on $\frac{3}{8}$ and $\frac{1}{2}$ blood, the pendulum has swung too far and at this writing values have appreciated from 1 to 2 cents per pound from the lowest.

Fine and $\frac{1}{2}$ blood staple fleece wools have perhaps met with more steady demand than most other grades, and during the latter part of this quarter there have been some large transactions consummated for wools to arrive. California wools are a drug in the market and have been for a year past. Manufacturers seem to be having no call for goods requiring this class of stock, and until the woollen dress goods and felt manufacturers are more prosperous these wools are likely to hang fire.

Owing to the unsatisfactory condition of the market at home, dealers sent their buyers into the country with such conservative ideas that the growers preferred to consign their clips rather than sell them at prices offered; hence the early clips of Arizona and Texas were largely shipped to be sold on commission, and the former met with fairly ready sale owing to their good staple and attractive condition.

As the season progressed it became more and more apparent that the clip was going to be deficient in staple; therefore in sections where wools showed good length and strength there was considerable competition from eastern

buyers. This was notably the case in Oregon and some parts of Idaho; also in the fleece wool States.

Indications point to an attractive clip from Montana, but as yet the market there can hardly be said to have opened.

GEORGE W. BENEDICT.

PULLED WOOLS. (*Scoured basis.*) (W. A. BLANCHARD.)

	1908.			1907.
	April.	May.	June.	June.
Brushed, Extra	60 @ 65	60 @ 65	60 @ 65	68 @ 72
Fine A	52 @ 55	50 @ 55	50 @ 55	60 @ 65
A Super	42 @ 45	42 @ 45	42 @ 45	52 @ 57
B Super	32 @ 36	32 @ 36	32 @ 36	45 @ 45
C Super	22 @ 25	20 @ 25	20 @ 25	30 @ 35
Fine Combing	50 @ 55	50 @ 55	50 @ 55	57 @ 62
Combing	40 @ 42	40 @ 42	40 @ 42	48 @ 50
California, Extra	52 @ 57	52 @ 57	52 @ 57	62 @ 68

REMARKS.

If the actual sales of pulled wools for the quarter could be tabulated they would show the smallest amount in volume and the lowest level in prices of any corresponding period for many years. High grade extras and long-grown fine A's were the only wools that maintained their values. Even combing grades weakened and fell off in demand; and the only saleable B supers were those of sufficient staple for worsted purposes. Inferior B's were sold at 30 cents and even lower. Many sales of a forced nature marked the quarter, the figures for which do not appear in the regular quotations noted above, and such transactions comprise the three grades of super — A, B, and C. In fact, this last-named wool can hardly be said to have a quotable value. At this writing there are no indications of any change in the pulled wool situation, nor can there be any until the woolen mills are more generally employed.

W. A. BLANCHARD.

FOREIGN WOOLS. (MAUGER & AVERY.)

	1908.			1907.
	April.	May.	June.	June.
Australian Combing:				
Choice	41 @ 43	41 @ 42	41 @ 42	43 @ 45
Good	40 @ 42	40 @ 41	40 @ 41	41 @ 42
Average	38 @ 40	37 @ 39	36 @ 38	40 @ 41
Australian Clothing:				
Choice	41 @ 43	41 @ 43	41 @ 43	43 @ 45
Good	40 @ 42	40 @ 41	39 @ 41	41 @ 42
Average	38 @ 40	37 @ 39	37 @ 38	39 @ 40
Sydney and Queensland:				
Good Clothing	40 @ 41	39 @ 40	38 @ 40	41 @ 43
Good Combing	40 @ 41	40 @ 41	40 @ 41	41 @ 42
Australian Crossbred:				
Choice	35 @ 38	35 @ 37	35 @ 36	43 @ 45
Average	31 @ 32	29 @ 31	29 @ 31	42 @ 43
Australian Lambs:				
Choice	43 @ 45	43 @ 45	43 @ 45	44 @ 47
Good	40 @ 42	39 @ 40	38 @ 40	40 @ 43
Good Defective	32 @ 34	31 @ 33	30 @ 33	35 @ 37
Cape of Good Hope:				
Choice	32 @ 34	31 @ 33	31 @ 33	36 @ 37
Average	29 @ 30	29 @ 30	29 @ 30	31 @ 33
Montevideo:				
Choice	31 @ 33	31 @ 32	31 @ 32	37 @ 39
Average	30 @ 31	30 @ 31	30 @ 31	34 @ 36
Crossbred, Choice	28 @ 30	28 @ 30	28 @ 30	39 @ 41
English Wools:				
Sussex Fleece	36 @ 39	35 @ 37	35 @ 37	44 @ 45
Shropshire Hogs	36 @ 37	35 @ 36	34 @ 35	43 @ 44
Yorkshire Hogs	34 @ 36	32 @ 35	32 @ 34	40 @ 41
Irish Selected Fleece	34 @ 36	32 @ 35	32 @ 34	40 @ 41
Carpet Wools:				
Scotch Highland, White	16 @ 17	16 @ 17	16 @ 17	24 @ 25
East India, 1st White Joria	25 @ 26	25 @ 26	25 @ 26	30 @ 31
East India, White Kandahar	24 @ 25	24 @ 25	24 @ 25	26 @ 28
Donskoi, Washed, White	26 @ 28	26 @ 28	26 @ 28	32 @ 33
Aleppo, White	25 @ 27	25 @ 27	25 @ 27	33 @ 35
China Ball, White	16 @ 18	16 @ 18	16 @ 18	21 @ 22
“ “ No. 1, Open	16 @ 18	16 @ 18	16 @ 18	18 @ 19
“ “ No. 2, Open	15 @ 16	15 @ 16	15 @ 16	14 @ 16

FOREIGN WOOLS.

The activity and steady demand for low crossbreds noted in the early part of the year continued throughout the second quarter. Foreign values declined so much that imported crossbred wools were much cheaper than similar qualities of domestic growth and the demand continued until supplies on this side were very much reduced. Merino wools though in moderate request have not been in large supply and have been generally quite firmly held.

English wools have been consumed largely but have been imported direct by two or three large concerns. Transactions in market have been limited.

Carpet wools have moved slowly on account of the extremely low views of buyers. The prospect of tariff changes has had some influence upon the market.

BULLETIN

OF THE

National Association of Wool Manufacturers

A QUARTERLY MAGAZINE

DEVOTED TO THE INTERESTS OF THE NATIONAL WOOL INDUSTRY.

VOL. XXXVIII.] BOSTON, DECEMBER, 1908.

[No. IV.]

ANNUAL WOOL REVIEW

WITH ESTIMATE OF DOMESTIC WOOL CLIP OF 1908
AND OTHER STATISTICAL TABLES.

IN the pages which follow we present for the twentieth consecutive year our annual estimate of the domestic wool product based upon the number of sheep fit for shearing April 1, 1908, together with numerous tables relating to sheep in various countries, the wool product, and the manufactures of wool and their importation. We have followed our accustomed lines in gathering information, and we desire to acknowledge our indebtedness for valuable assistance to sheep-men and others who have responded to our inquiries with helpful answers. We have no purpose to serve except to secure the most accurate information possible under prevailing conditions; and in this effort we have given due consideration to the views of the best informed wool growers, wool buyers, and dealers, together with those of officials in States where sheep are assessed for taxation. The result, it must be remembered, is an estimate and not an enumeration.

THE NUMBER OF SHEEP.

We place the number of sheep fit for shearing at 40,311,548, an increase of 1,476,617 over 1907, when the total stood at 38,864,931. This increase is made up chiefly of additions to the estimated number in New Mexico and Arizona, where increases

of 400,000 and 150,000, respectively, have been made. These account for nearly half of the increase, although small additions have been made in a few States both East and West. The larger figures for New Mexico are due to returns received from the Board of Sheep Commissioners, whose views we feel must be accepted as official and the best obtainable.

After six years of constantly and gradually increasing wool prices the tide began to ebb in the autumn of 1907; and because of the unsettled conditions caused by the financial disturbances in this country the wool year under review was most perplexing and unusual for all engaged in the raising, handling, or manufacturing of this product, so highly essential to the people of all civilized countries of the temperate zones.

The year 1906 had been an exceedingly prosperous one for all the above-named interests (save the wool dealer) and all indications pointed to a like experience in 1907; but with a suddenness, for which few were prepared, although warnings of dangers ahead had been sounded, a panic started in October and spread with amazing rapidity over the entire country, extending far beyond our limits to the remotest corners of the commercial countries of the world, until all felt its baneful effects.

The increased cost of wool above referred to was not caused by speculation as in the wool boom of 1899, but by the tremendous activity of machinery in all wool manufacturing countries. The constantly expanding production of Australasia, as it recovered from the disastrous effects of the seven years' drought in the nineties, which decimated the flocks of the country, was not more than sufficient to supply the pressing demands of a wool-hungry world. Although as early as September, 1907, an English wool writer of standing, in urging prudent action upon the buyers of wool, had warned the trade that indications pointed to high prices for necessities of life, which would tend to check the demand for textiles, the early Australian sales were characterized by an optimism which carried prices to levels that could be matched only by those of the boom season of 1899-1900. Trade was good, consumption was heavy, and all signs were interpreted as meaning another year of great demand for wool and of satisfactory profit for the wool grower. But as the widespread effects of the panic began to be felt and realized throughout the world a spirit of caution pervaded all classes of business men in all countries, so much does the prosperity of one country depend

upon sound conditions in another in this day of quick communication and exchange of commodities. In this country working days were soon reduced from full to half time, machinery previously humming by night and by day was suddenly stopped partially or entirely to reduce the output, and wool consumption was tremendously curtailed. The wise man, taking no chances, refused to pile up surplus stock. There was no demand for goods, the market being so lifeless and uncertain that manufacturers were willing to do little more than keep their mills moving sufficiently to furnish work for their forces and prevent them from scattering.

Under such conditions wool dealers were not eager to purchase the new clip unless at prices sufficiently attractive to compensate for the risks taken. Buyers were few and late in the field. Contrary to the custom followed for a few years previously there was little or no contracting for wool while still on the sheep's back; that dangerous practice, like the cancellation of orders, curing itself in seasons unfavorable to it. Another untoward feature, which also had its effect, was that the new clip was found to be deficient in length of staple, making it certain that there would be a considerable excess of short wool to swell the stock carried over from 1907 and for which purchasers could not be found. The presence of these unsought-for descriptions added to the difficulties of the situation and made dealers averse to offering any but conservative figures for the new clip.

Between the outbreak of the panic and the opening of the domestic wool season of 1908 the wool market was in a state of almost entire stagnation, the few sales effected being put through at considerable loss. When the bottom was supposed to have been reached, the next sale disclosed a still lower depth than that already touched. The situation was further complicated by the large stocks carried over by the dealers from the previous year. As spring approached they were anxious to be relieved of this burden so that they might prepare for the handling of the new clip about to come upon the market; but the panic and the mild winter had so restricted the consumption of wool fabrics that manufacturers showed little interest in their requirements for the next season, and consequently in the offerings, a result of which was that the wool market was rarely in a worse condition than during the late winter months.

The season of 1907 had been an unremunerative one for the

wool dealers, and that it had been no worse was due to the heavy purchases of large consumers very early in the autumn which enabled dealers to make a quick turnover of large quantities of wool at a moderate profit. Had these purchases been postponed some months or even weeks, the same wools could have been bought at a price thousands of dollars less than the amount paid for them. By a narrow margin of time heavy losses were thus escaped by the dealers; but notwithstanding this escape the season has to be written down as one of the very worst known for a considerable length of time. With this experience fresh in mind and the manufacturers pursuing a waiting policy, it is not surprising that the buyers went into the field with most conservative notions as to the prices at which wool should be purchased for their own safety. Everywhere doubt and uncertainty prevailed, causing a paralysis of business activity, and extreme caution was the watchword. Added to the business perplexities was the usual fear occasioned by the presidential canvass and doubt of its satisfactory outcome. Tariff revision was in the air and the return to better business was retarded by the knowledge that any change of the schedules or the rates of duty would have an unsettling effect.

Early in the year the effects of the panic were much in evidence in Australia, where marked losses in prices over those prevailing before the winter holidays were experienced. These lower prices had their influence in this country; but the wool growers, accustomed to continued years of prosperity and high prices, not taking the same view of market conditions as did the buyers, were unwilling to accept the low bids first offered, a deadlock ensued, and no wool was moved for some weeks. Complaint was immediately made that the buyers were offering much less for the wool than its value in the scoured condition justified, the belief being widespread that the dealers were attempting to make good in one year their losses on the clip of the previous seasons. Whether or not this complaint was justified is a question it is not necessary for us to pass upon, but the fact is that during March, April, and May foreign, as well as domestic, markets were in a demoralized state, the average fall in prices for Australian wools being fully as great, if not greater, than on similar descriptions of domestic wools. This depreciation ranged from 23 per cent for fine merino and fine crossbreds to 40 per cent for medium and coarse qualities, which were more

serious reductions than those suffered by the flockmasters of the United States. In all periods of depression it has been the experience that wool drops more in price than almost any other commodity, the explanation being that for wool a number of substitutes can be found ; but for cotton and silk none is at hand.

A STORAGE WAREHOUSE BUILT IN OMAHA.

As a result of these unsatisfactory offers in the early part of the season an impetus was given to the movement, inaugurated and strongly endorsed by the Wyoming wool growers, to build a wool storage warehouse in Omaha. In this effort the wool growers of Utah and Wyoming, led by Mr. A. J. Delfelder, president of the Wyoming Wool Growers Association, who was very prominent and indefatigable in his efforts to make it a success, were chiefly interested. The warehouse was erected and one or two million pounds of wool went into it and off the market. Up to the present time it has been more of a storage scheme — a holding for better prices, than a place in which to hold auctions, although dates for such sales are announced for December.

SIMILAR CONDITIONS PREVAILED IN AUSTRALIA.

Such conditions were not peculiar to this country, for Australian growers, dissatisfied with prices bid at that time, withdrew their offerings from the auctions, selling at a later date when the market had strengthened and prices ruled firmer. Coincident with the rise in the Australian markets came a stronger tone in the markets of this country, and as prices became higher the refusal of the growers to accept the early offers proved a wise decision ; but in our opinion the claim that "this warehouse saved the growers thousands of dollars " needs qualification, for it does not seem possible that the withdrawal from the market of a few million pounds of wool produced the effect attributed to it. Undoubtedly the warehouse afforded the growers using it a safe place in which to store their clips until time, bringing a better feeling in the market, enabled them to share in the higher prices realized the world over, but it is not probable that the removal of so small a proportion of the available wools affected results and forced the higher figures eventually secured.

Encouraged by what was considered its success, a much more ambitious and important undertaking than the Omaha warehouse

was started by prominent western wool growers — one which, if it proves successful, will revolutionize the wool handling business as it has been transacted in this country since its foundation. This project, undertaken by the officers of the National Wool Growers Association, contemplates the erection or leasing, in some central accessible city, with adequate railroad facilities, of a warehouse in which it is hoped to gather from twenty-five to seventy-five million pounds of wool to be offered direct to manufacturers or perhaps sold after the manner of the London sales. The idea as far as outlined is to have the undertaking a coöperative one in which all wool growers will be invited to become stockholders and patrons. Denver, Omaha, St. Joseph, St. Paul, and Chicago have been visited by a committee of the association to inspect their respective facilities for the undertaking, but as yet no selection of a site has been announced.

The project seems to express dissatisfaction with the present method of handling the domestic clip, because it is considered too expensive and because the growers are not in a position to know the value of their wool when the buyers appear after shearing time. The belief is quite general among the growers that each year they are prevented by a combination from getting fair market rates for the product, and they feel that with a storage warehouse, frequented by representatives of eastern manufacturers, and from which sales would be made direct to the mills, many causes of complaint would be eliminated, larger returns would be received, and greater contentment would reign among them.

We believe, however, that a trial will show to the growers that many of their alleged grievances are fancied rather than real, and that the warehouse will not be the panacea they expect for their alleged ills.

There are certain difficulties in the way of this warehouse project which may impede or prevent its success, and in calling them to the attention of the growers we wish to be understood as seeking to do them a kindness before they become committed too far to the plan, the failure of which will mean much financial loss to many individuals and be a blow at the prestige of the association.

WAREHOUSE AND AUCTIONS.

The proposal may mean a storage warehouse where sales by private treaty may be made at any time; or it may be the intention to erect a warehouse in which all wools stored therein will be sold at auctions held at stated intervals.

The first plan would simply enable the wool grower to store his wool in a safe place until a satisfactory price could be obtained, but it would not enable him to control the prices of his product. The two plans are so closely allied that it is difficult to state objections to the one that do not apply with nearly equal force to the other. One of these is that the location of the warehouse at a long distance from the seat of the wool manufacture would be a great disadvantage and inconvenience to the manufacturer. Under present arrangements the majority of the mills keep in close touch with the market, in many cases their representatives being on the market week by week examining stocks in hand, testing prices, and familiarizing themselves with conditions — a custom which would be impossible if the warehouse were to be far removed from the wool consuming districts. As a rule, they prefer to purchase for immediate rather than remote needs. If they should have to travel a long distance to examine the wool and buy only at stated intervals large quantities, it would have to be at prices attractive enough to them to justify the risk and expense; and that is just the result the growers do not desire, if they are to control the price of the product. But even if such large purchases were desirable, only a few of the larger and stronger corporations could afford to purchase liberally so long in advance of actual needs or dare to risk a decline in values. The smaller mills, which now use a large proportion of the domestic clip, would figure but seldom in the auctions at the warehouse, and competition would be confined largely to the middlemen, whose elimination is said to be desired, and the larger consumers of wool. Under such conditions a combination to regulate prices might be easily arranged and, in that case, the last state of the grower would be worse than the first. With the western wools unclassified and unskirted as they come from the ranches and the shrinkage varying widely, it would be a dangerous procedure to purchase them at auctions unless the strictest rules governing responsibility for wrongful packing and branding were in force and could be used

to recover for injuries and losses suffered by purchasers. Now an intending buyer is able to go to a wool loft in any of the wool trade centers and find the kind of wool he is seeking classified by efficient men to meet his needs. He buys the description he wishes and is able to secure time in which to pay for his purchases, a feature entirely absent from the wool auctions of London or the Australian centers. There payment is required within two weeks and before the wools are moved, and we presume the same conditions would be adopted here. Manufacturers have long maintained satisfactory business relations with the wool dealers, enjoying many advantages which might disappear under the suggested change in the method of selling the clip. Unless the manufacturers can be shown wherein they would be benefited by the proposed arrangement we doubt if they become ardent advocates of the warehouse plan.

If a new system is to be inaugurated, it seems to us that Boston, to which point the great portion of the western wools finally come, should be the place chosen for the warehouse or the auctions rather than some far distant western city. No doubt, the wools could be disposed of even there, but the nearer they are brought to the East the more easily they will be sold. In Boston, the second wool market in the world, are to be found all the facilities for conducting such sales in a satisfactory manner. Here are the men with experience and training to conduct and manage the auctions, and here also can be found ample banking accommodations so necessary for the success of the undertaking. Moreover, the choice of Boston would mean no radical interference with the channels of trade, no transfer of the wool trade from present centers to an entirely new site, and it would certainly secure the attendance of many patrons whose presence at distant interior points would be most problematical and uncertain. Without their participation success, it seems to us, would be questionable; with such participation it would be more probable.

Should this central storage warehouse be erected and financed, the prevailing belief is that the growers will learn from experience that money is both made and lost in the handling of wool and that the wool houses already established are essential to the trade, being able to carry on the business more economically than the growers themselves. This is the view of an Australian writer familiar with the wool business of the Commonwealth,

who says: "The lesson learned in Australia is that wool selling is an industry in itself. Our wool growers confine their energies to growing wool. Once it is shorn and sent away it passes into the hands of expert selling houses whose business it is to get full market value for the staple and who are paid a commission rate for their services. The grower frankly admits that he could not hope to sell his wool as profitably, and has every confidence in his broker, and the prosperity of our wool industry is clear proof of the reasonableness of the arrangement." An agricultural paper, whose sympathy would naturally be with the growers in any movement calculated to increase returns received from the clip, doubts whether the plan to organize agencies to handle their own wools at eastern markets will prove profitable in the end, adding: "Probably houses already established can do the work better and cheaper than the growers can do it, but an experiment will settle the question." The growers will also learn they have not been robbed year by year by the eastern wool merchants. If that lesson can be learned and a better basis for trading established by which the friction experienced yearly can be eliminated, this experiment may be worth all it costs even should the attempt end in failure. We recognize in it an effort on the part of men widely scattered over a vast territory and easily disturbed by reports industriously circulated of combinations effected to prevent them from obtaining that to which they believe themselves justly entitled, to improve this condition. Unfortunately, if they combine for the purpose of regulating the prices of their product, they will adopt a plan which they themselves allege exists among the wool merchants and to which they so strongly object, but out of it all we trust there may come that harmony which is essential to the success of wool growing, wool selling, and wool manufacturing.

It is evident from statements made upon the authority of the men identified with the movement that one purpose is "to eliminate the middleman from the business of buying wool, to restore to the sheepmen of the West absolute control of the product and to sell direct to the manufacturer." Whether such a result can be secured is extremely doubtful; and if it could be, whether such elimination would be expedient or desirable is a grave question. A similar effort is being made in the Middle West by the American Society of Equity to regulate the prices of farm

products. Respecting the difficulties such an undertaking must meet we quote from a recent editorial in a New York commercial paper, which says:

This plan is likely to work with less success for grain and general farm products than for cotton. The latter presents some of the advantages of a natural monopoly, inasmuch as three-fourths of the world's supply is raised within a restricted area in our Southern States, while grain and other products that may be kept some time in storage are distributed over a wide area in this country and come in competition in the world's markets with large supplies from other sources. It would be much easier for the planters of the South than for the farmers of the West to maintain a comparatively compact and cohesive organization. Unless the latter could hold together in sufficient force to control a large proportion of the commodities whose price was to be controlled their efforts would be futile and not only unprofitable but costly.

But the chief defect of all these schemes springs from the mistaken idea that the middleman or the trader who intervenes between the producer and consumer is unnecessary or performs no function that is worth what it costs. While prices are inevitably controlled by the relation of supply and demand, in the case of commodities that must become available for a year's supply within a limited period of a few months, there may be artificial adjustments by regulating the flow into the markets, which will prevent wide and uncertain fluctuations in price. Without these the prices would be unduly depressed for the producer at the harvest time and might be unduly raised for the consumer before the arrival of the next harvest. Consumption would be hastened while prices were low and restricted as they advanced.

These adjustments of supply to demand need to be made, but they cannot be made effectively by the scattered producers through any practicable organization. They require an intermediate class of traders devoted to the business, with capital for handling supplies by provision for storage and transportation adapted to the varying conditions of the market. Exchanges and warehouses are a necessity which combinations of farmers cannot provide and manage with effect. If they attempt it it will cost them more and serve them less effectively and economically than the experienced middlemen with their appliances for trading. These may speculate and "gamble" on the fluctuation of prices, but it will be between themselves, with little loss to anybody else, unless on rare occasions when they may succeed in manipulating markets temporarily. Whatever the abuses in trading, it can be better done by traders than by farmers and planters, and the experiments of the latter in trying to control markets and regulate prices are sure to come to grief.

Inasmuch as the wool growers of the country supply far from all the demands of its wool users it is not clear how it will be possible by any warehousing plan to enable the sheepmen of the West to gain absolute control of the product. The cotton raisers of the South, having almost a monopoly of certain grades of cotton, have not succeeded in their ambitious scheme to control the amount to be raised and the prices to be received. With conditions favoring them less than the raisers of cotton, it does not seem likely that this part of the plan of the sheepmen can be realized. Prices, even with the assistance of the wool duties, cannot be forced beyond the point where competition with the Australian, Cape, and Argentine wools will be invited and importations made.

WOOL AUCTIONS ATTEMPTED BEFORE.

The idea of having wool auctions in this country is not a recent one, the attempt having been made several times before, but this is the first time the sheepmen themselves have undertaken it; and to us it seems quite as formidable a task as that proposed some years ago by the National Livestock Association when it attempted the establishment of a coöperative packing company to kill and distribute the stock of the cattlemen and become a rival of the great establishments then dominating the markets and paying prices considered unduly low for their supplies. The plan looked feasible and for a time success seemed in sight; but when funds were needed they were not forthcoming and the project was abandoned. We do not predict a similar outcome for this warehouse attempt, but our doubt concerns the extent of the interest to be manifested by the wool growers of the country, especially when the time arrives for the payment of the stock to be distributed amongst them. If outside parties willing to finance the undertaking can be found, it may be that the difficulty of securing sufficient wools for the auction can be overcome and its proper preparation, classing, and branding can be accomplished; but to our mind the danger lies in the difficulty of interesting a large number of men in an enterprise in which but few have a sufficiently large financial share to cause them to consider it of prime importance to their welfare.

In 1904 the question of establishing in Chicago a wool market along lines similar to these now suggested, except the coöperative feature, was canvassed by the officials of the Chicago Stock

Yards Company, but the movement did not get beyond the stage of discussion. If auctions are to be held, other important matters aside from the financial problem involved in the undertaking are to be considered. An Australian wool expert suggests in a recent article that the proposed American sales should be modeled after the Australian rather than the London auctions, the American wool growers being cautioned that if the auctions are to be a success they must gain the confidence of buyers by getting up their wool in a straightforward manner, having the wool properly classed and prepared for market in accordance with the requirements of buyers. Two essentials to success are that the growers must give their loyal support to the undertaking and the sales must be so conducted that wool users will recognize that they are getting a fair and square deal. Mutual confidence must be the keystone to success. Careful classing, separation of merino and crossbred wools, the marketing of wool as branded, faithful packing, separation of fleeces, pieces, bellies, locks, and tags in bales by themselves are all essential matters if the auctions are to win the support of those whose support will be necessary for their success.

FOREST RESERVES AND THEIR ADMINISTRATION.

Dissatisfaction with forest reserves does not seem to be so pronounced among our correspondents this year as last. What discontent exists is directed more toward the regulations than toward the reserves themselves. As one well-known sheepman expressed the feeling, it is summed up in "‘kicking’ at the rules, at the amount of the fees, and because more sheep are not admitted to the reserves." He, himself, regards the reserves as a good thing for the beneficiaries and expresses the opinion that "if the permits were put up at auction they would bring a lot more than the fees charged." But the avowed purpose of the reserves is to help the settler and homesteader, and if the privileges were to go to the highest bidders at auction the cry might easily be raised that, instead of securing the desired result, the rich man and the corporation were being helped rather than the individual and the small sheep or cattleman.

A very prominent Montana man writes: "Our wool growers will soon learn to be satisfied with forest reserve regulations provided the Administration is successful in securing the proper

men ; at present there is some opposition to the administration of the reserves."

Another well informed correspondent from a far western State writes :

"I believe the attitude of wool growers in the State is somewhat against the forest reserves and the rules of the service as arranged at the present time, but the general policy of the Government to preserve the forests under reasonable rules and instructions and allow sheep to graze therein is approved. But the sheepmen think that better service, better men, and more reasonable rules should obtain. The forest reserves have tended to decrease the number of sheep running in the State ; however, I believe those sheep that were in the reserves have been kept in better condition during the summer than they were before the time of the forest reserves."

On the other hand some of the objections to the reserves, as well as to the management, are stated by other correspondents in the annexed quotations. A Nevada man writes as follows :

"Am opposed to the policy. There is not one acre of forest in Nevada except a fringe along the west side of the State. As for conserving the water for irrigation, etc., there is not a stream but sinks in the State and except streams from the Sierras all go dry in August or September in best years. The reserve policy is new here. When once in force will affect us almost as in other places."

A Montana man writes : "Sheepmen are decidedly opposed to the rulings of the Forestry Department, which work much hardship on the wool growers and are driving many of the smaller ones out of the business."

Another Montana man says : "The attitude of wool growers toward forest reserves is unfavorable. Its tendency is to cut down flocks and add unnecessarily to expense."

A Wyoming man says : "The attitude of the wool growers of this country toward the administration of the forest reserves is one of unqualified condemnation. The Black Hills National Forest, a very important reserve, lies at our very doors and sheep are entirely excluded while thousands, hundreds of thousands of acres of the finest summer grazing in the world rot down and our sheep stand exposed to sun and drought in sight of this paradise. This reserve is sparsely settled and sections of it practically without stock of any kind. Mr. Mondell

acting for us tried to have at least a part of the reserve opened for sheep, but after six years of effort is obliged to confess his helplessness in the matter. Senator Warren has also taken up the matter with the Department at Washington but with no better results."

A Utah grower says: "Most growers favor forest reserves but they are against the way they are administered in many instances. The reserves have reduced and are reducing the flocks."

That confusion exists in the minds of some sheepmen is shown by the objections of a Wyoming grower who fails to distinguish between the regulation of the forest reserves and the open range. He writes: "No forest reserves in central Wyoming, but the proposed policy of Mr. Pinchot is severely condemned as regards applying forest reserve regulations to the entire range."

The most pronounced, sweeping, and unqualified condemnation of the reserves is thus stated by a New Mexico correspondent, who writes: "We are strictly against forest reserves and the management of same. They are driving stock — cattle, horses, sheep, and goats — off the reserves and that overcrowds the range outside the reserves. It is all graft and nothing else. Strictly in favor of the large cattle companies, the small man is not in it."

With such hostility among the wool growers to the management and administration of the reserves as is indicated in the foregoing extracts, it is not surprising that when the Agricultural Appropriation Bill was on its passage during the last session of Congress the opposition of senators and representatives from western States to the creation of any new forest reserves by the President without the consent of Congress, which was manifested in the Senate in 1907, was shifted to the Forest Service, an amendment being offered to the bill which provided "that no part of the appropriation should be paid or used for the purpose of paying for in whole or in part the preparation or publication of any newspaper or magazine article, but this shall not prevent the giving out to all persons without discrimination, including newspapers and magazine writers and publishers, of any facts or official information of value to the public."

The charge had been made that public money was being used to prepare secretly matter of a character which the Forest Service could not have published as its own, praising its own work and reflecting upon those who criticised it. It was also charged that newspapermen were subsidized to write in its defence and

newspapers and magazines paid to publish material prepared by the Service. All these charges were denied by Chief Pinchot and although the bill as passed carried the above amendment the Attorney General has given an opinion to the effect that it does not prohibit what the Service has done heretofore—the giving out of facts or official information of value to the public. While such charges were in circulation against the Service it was difficult to contradict them so that the denial would reach the persons willing to hear and accept them as true; and it is a cause for congratulation that an opportunity was granted the Service to put on record a public denial of the accusations. With such a stupendous task on his hands, as the management of the forest reserves must be, it is not surprising that complaints have been made and opposition has arisen to the regulations enforced by the Forester. No doubt, mistakes in management have occurred, and will occur in the future, but when the necessary adjustments have been made we believe the sheepmen will quite generally agree that the establishment of the reserves was a good thing for the sheep industry of the country. Considerable time will be needed to devise and put in force satisfactory regulations for the government of the reserves, but with coöperation and honest criticism, fairly satisfactory results will eventually be secured, and when that time comes critics of the present day will become, we believe, the steadfast supporters of the reserves, which even now some see will prove of inestimable benefit to the sheep industry in the arid West.

During the year little was heard of the proposal, made at the previous session of Congress, to control the open range. Bills making provision for such control are pending in Congress; but from appearances none can be whipped into shape to secure the support of all the livestock interests of the open range country, there being too much difference of opinion at present to secure united support for the measure. Until something approaching unanimity among all the livestock interests can be secured, it is not likely that the legislation proposed by the President can be passed in the face of the opposition of the western stockmen and of their representatives and senators. It is a big question, and to us it seems that a satisfactory solution can be obtained only through careful discussion by all who are interested in securing the best results for the sheepman, the cattleman, the settler, the State, and the whole people.

TWINE.

The effort made by manufacturers and wool dealers to improve the condition of wool as it comes to market produced encouraging results, great improvement over former years being noticed by the wool merchants. The effort during the past season was made particularly in what are known as the fleece-producing States where the complaints were chiefly against the use of sisal and binder twine and excessive quantities of heavy rope. The results of the energetic and intelligently conducted campaign encourage the hope that equally satisfactory results may be secured when the effort to effect certain other reforms is made in the great wool-producing States of the West.

PRICES FOR WOOL AND SHEEP UNSATISFACTORY.

In 1907 excellent returns were received for both wool and sheep. In 1908 the prices for wool were some 15 per cent lower than a year ago, but the losses thus experienced were not balanced by favorable returns for stock sold. In fact, experience on the stock side of the industry was just as unsatisfactory as on the wool side, so that the year, on the whole, was far from favorable, prices for sheep being some \$2 less per hundred pounds this autumn than a year ago. But with the presidential contest settled, with idle machinery again in motion, and unemployed operatives being put to work on full time, the outlook for next season is distinctly more favorable. In fact, conservative opinion prevails that the country is about to start on another period of prosperity in which the textile industry and the growers of wool are sure to share.

WOOL PRODUCT.

The total clip, excluding pulled wool, according to our estimate, is 270,138,321 pounds, an increase of 12,833,571 pounds as compared with last year. The scoured equivalent is 106,630,648 pounds, an increase of 5,671,530 pounds over last year, due partly to the lighter shrinkage of the wools in the present season.

This year, as last, Wyoming is credited with having produced the largest amount of wool in the grease, but owing to the greater shrinkage of its wools Montana's product, in the scoured condition, still maintains a slight lead, the respective figures for

TABLE I. WOOL PRODUCT OF THE UNITED STATES. — 1908.

States and Territories.	Quality.	No. of Sheep of Shearing Age, April 1, 1908.	Average Weight of Piece, 1908.	Wool Washed and Unwashed, 1908.	Per cent of Shrinkage, 1908.	Wool Scoured, 1908.	Average Value per Scoured Pound, Oct. 1.					Total Value, 1908.	States and Territories.
							1904.	1905.	1906.	1907.	1908.		
							Cents.	Cents.	Cents.	Cents.	Cents.		
Maine.....	.....	215,000	6	1,290,000	40	744,000	50	58	58	56	43	\$319,920	Maine.
New Hampshire.....	25% fine, 75% medium	70,000	6.2	434,000	50	217,000	50	57	57	56	44	95,480	New Hampshire.
Vermont.....	80% "	175,000	6	1,050,000	50	525,000	50	57	57	55	45	280,250	Vermont.
Massachusetts.....	Medium.....	35,000	5.8	203,000	42	117,740	50	57	57	56	44	51,806	Massachusetts.
Rhode Island.....	.....	7,000	5	35,000	42	20,300	50	57	57	56	44	8,932	Rhode Island.
Connecticut.....	.....	35,000	5	175,000	42	101,500	50	58	58	57	44	43,660	Connecticut.
New York.....	33% fine, 67% medium	850,000	6	5,100,000	50	2,550,000	55	60	59	58	47	1,138,500	New York.
New Jersey.....	Medium.....	45,000	5.5	247,500	50	123,750	50	60	59	58	45	56,688	New Jersey.
Pennsylvania.....	25% fine, 75% medium	950,000	6	5,700,000	48	2,864,000	58	63	62	61	48	1,402,750	Pennsylvania.
Delaware.....	Medium.....	7,000	6	42,000	45	23,100	50	56	55	55	45	10,395	Delaware.
Maryland.....	.....	125,000	5.5	687,500	45	378,125	50	57	55	55	44	160,375	Maryland.
West Virginia.....	75% fine, 25% medium	525,000	5.5	2,887,500	48	1,501,500	65	60	70	57	49	735,735	West Virginia.
Kentucky.....	Medium.....	600,000	5	3,000,000	39	1,830,000	50	60	59	58	45	825,500	Kentucky.
Ohio.....	45% fine, 55% medium	2,000,000	6.5	13,000,000	49	6,500,000	58	65	62	61	48	3,182,400	Ohio.
Michigan.....	25% "	1,500,000	6.4	9,600,000	50	4,800,000	55	61	60	59	46	2,208,000	Michigan.
Illinois.....	15% " 85% "	800,000	6.3	5,040,000	45	2,772,000	53	58	57	56	44	1,219,680	Illinois.
Indiana.....	25% " 75% "	650,000	6.5	4,225,000	50	2,112,500	52	56	55	54	42	887,250	Indiana.
Wisconsin.....	20% " 80% "	850,000	6.25	5,312,500	49	2,709,375	52	63	60	58	40	1,083,750	Wisconsin.
Minnesota.....	20% " 80% "	375,000	6.75	2,531,250	51	1,240,313	50	54	53	52	42	620,951	Minnesota.
Iowa.....	30% " 70% "	890,000	6	5,100,000	49	2,595,000	58	56	56	56	44	1,444,460	Iowa.
Missouri.....	15% " 85% "	852,548	6.7	5,712,071	48	2,970,277	52	60	56	55	44	1,306,922	Missouri.
		11,466,548	6.22	71,372,321	48.2	36,931,480						\$16,663,334	
Virginia.....	Medium.....	375,000	4.5	1,687,500	38	1,044,250	52	60	59	57	45	\$470,818	Virginia.
North Carolina.....	.....	205,000	4.25	871,250	42	505,325	50	56	55	54	40	202,130	North Carolina.
South Carolina.....	.....	50,000	4	200,000	42	116,000	50	56	55	54	39	46,240	South Carolina.
Georgia.....	.....	225,000	3.5	787,500	40	472,500	50	56	55	54	40	189,000	Georgia.
Florida.....	.....	190,000	3.0	390,000	40	180,000	50	56	55	54	30	145,400	Florida.
Alabama.....	.....	175,000	3.25	568,750	40	314,250	50	56	56	54	30	136,500	Alabama.
Mississippi.....	.....	150,000	4	600,000	42	348,000	50	55	54	53	40	139,200	Mississippi.
Louisiana.....	.....	155,000	3.7	573,500	42	332,650	50	56	55	53	40	133,052	Louisiana.
Arkansas.....	.....	225,000	4.25	956,250	41	564,188	50	55	54	52	38	214,311	Arkansas.
Tennessee.....	.....	220,000	4.50	1,305,000	40	783,000	50	58	58	57	45	352,350	Tennessee.
		1,950,000	4.02	7,849,750	40.2	4,689,143						\$1,954,676	
Kansas.....	Fine, fine med., and medium	100,000	7	700,000	64	403,200	52	67	65	65	50	\$201,600	Kansas.
Nebraska.....	.....	275,000	6.75	1,856,250	64	1,084,250	52	67	65	65	50	334,125	Nebraska.
South Dakota.....	.....	650,000	6.5	4,225,000	61	1,647,750	53	69	67	67	50	823,875	South Dakota.
North Dakota.....	.....	300,000	6.5	1,950,000	60	780,000	53	69	67	67	50	390,000	North Dakota.
Montana.....	.....	4,600,000	7	32,200,000	64	11,592,000	55	69	68	67	51	5,911,920	Montana.
Wyoming.....	.....	4,500,000	8	36,000,000	68	11,820,000	55	70	69	67	49	5,644,800	Wyoming.
Idaho.....	.....	2,500,000	7	17,500,000	67	5,775,000	55	69	66	66	51	2,845,350	Idaho.
Washington.....	.....	480,000	8.5	4,080,000	69	1,964,400	62	69	66	65	50	1,032,000	Washington.
Oregon.....	.....	2,000,000	8.25	16,500,000	69	5,115,000	55	69	68	68	52	2,659,800	Oregon.
California.....	33% fall, 67% spring	1,900,000	7	13,300,000	63	4,322,000	53	69	67	64	41	1,854,020	California.
Nevada.....	Fine, fine med., and medium	750,000	8	6,000,000	69	1,860,000	57	70	68	68	51	918,600	Nevada.
Utah.....	.....	2,100,000	7	14,700,000	67	4,851,000	55	67	67	65	46	2,231,400	Utah.
Colorado.....	.....	1,500,000	6	9,000,000	62	3,800,000	66	65	63	65	42	1,411,200	Colorado.
Arizona.....	.....	800,000	6.5	5,200,000	65	1,820,000	53	67	65	65	47	855,400	Arizona.
New Mexico.....	.....	3,000,000	5.5	16,500,000	64	5,940,000	50	65	63	60	45	2,673,000	New Mexico.
Texas.....	25% fall, 75% spring	1,300,000	6.75	8,775,000	67	2,895,750	57	70	67	66	53	1,534,748	Texas.
Oklahoma and Indian Territory.....	Fine, fine med., and medium	80,000	6.5	510,000	68	163,200	50	63	63	61	44	71,808	Oklahoma.
		26,895,000	7.1	190,916,250	66.4	61,177,950						\$31,123,606	
Totals.....		40,311,548	6.7	270,138,321	60.5	106,690,548	54.1	65.4	63.8	62.3	46.6	\$49,741,616	Totals.
Pulled Wool.....		41,000,000		28,700,000	30	28,700,000	46.7	57.4	54.3	50.2	41.6	11,958,000	Pulled Wool.
Total Product, 1908.....				311,138,321		135,330,548						\$61,699,616	Total Product, 1908.

the two States being 11,520,000 and 11,592,000 pounds. The increase in Wyoming's flocks and wool product is a surprise in view of the opinion expressed in 1903 by Senator Francis E. Warren, an acknowledged authority on the conditions in Wyoming and neighboring States, who was then of the opinion that "the zenith had been reached and passed so far as numbers of sheep and pounds of wool are concerned, at least for some years." Yet since that date the State has been steadily increasing her flocks and her wool product, until this year's figures for both are the highest in her history.

The detailed statement of number of sheep, weight of fleece, with percentage of shrinkage of wool product and the equivalent in scoured wool, the average value per pound and the total value of the clip will be found in Table I., opposite.

In this table the States have been arranged for convenience, as in years past, in three groups, the first embracing all those north of the Ohio River and east of the western boundary of Missouri, including Kentucky, Maryland, and West Virginia, in which the fleece wools, fine and medium, are of comparatively light weight and shrinkage; the second comprising the southern States, except Texas, where only medium wools are produced, and the third comprising all the States west of the Missouri line, including Texas, New Mexico, and Arizona, where the great bulk of the fine, fine medium, and medium wools of heavy weight and shrinkage are produced.

In the first group are found 11,466,548 sheep, or 28.4 per cent of the total flock, producing 71,372,321 pounds of wool in the grease, or 26 per cent of the whole product of 270,138,321 pounds, exclusive of pulled wool. In the third section 26,895,000 sheep, or 66 per cent of the total flock, produced 190,916,250 pounds of wool, or 70 per cent of the total clip.

In scoured condition the wools of the first group, owing to their lighter shrinkage, yielded 36,931,480 pounds, or 34 per cent of the total, while the third group produced 64,177,950 pounds, or 61 per cent of the whole.

When the value is considered it is found that the wools of the first group brought \$16,663,334, or 33.7 per cent of the total value of \$49,741,616, and the third group's clip was valued at \$31,123,606, or 62.6 per cent of the total. The production of the second group is so inconsiderable a proportion of the total wool crop as to be almost a negligible quantity, although the number of

sheep and the quantity of wool grown are about the same as for a number of years past.

PULLED WOOL.

The amount of pulled wool has been most carefully considered and because of the apparent decrease in the number of sheep slaughtered and the scarcity of pulled wool at times during the year, the total has been reduced from 42,000,000 to 41,000,000 pounds. The shrinkage is continued at 30 per cent, making the yield equal to 28,700,000 pounds of clean wool.

The grades and values of pulled wool (scoured basis) are estimated as follows by Mr. William A. Blanchard, of Boston :

Fine and fine medium	15,300,000 lbs.
Medium and coarse.....	13,400,000 lbs.
	<hr/>
	28,700,000 lbs.

These quantities may again be subdivided into grades, with average values at Boston, thus :

	Pounds.	Value per pound, cents.	Total value.
Extra and fine A	4,400,000	54	\$2,376,500
A super	4,900,000	43	2,107,000
B super	8,000,000	34	2,720,000
C and low super.....	1,400,000	22	308,000
Fine combing	5,800,000	50	2,900,000
Combing	3,900,000	38	1,482,000
Shearlings	300,000	20	60,000
	<hr/>		
	28,700,000	.....	\$11,953,500

The total production of the country for 1908 including pulled wool is, therefore, 311,138,321 pounds, equal to 135,330,648 pounds of scoured wool, 4,971,530 pounds in excess of the estimate for 1907.

TABLE II. — SCoured WOOL, FLEECE AND PULLED.

	Product.	Decrease.	Increase.
1888..... <i>pounds</i>	136,591,955	3,964,730	.....
1889..... "	134,795,350	1,796,605	.....
1890..... "	139,628,220	.....	4,832,870
1891..... "	139,326,703	301,517	.....
1892..... "	145,300,318	.....	5,973,615
1893..... "	151,103,776	.....	5,803,458
1894..... "	140,292,268	10,811,508	.....
1895..... "	125,718,690	14,573,578	.....
1896..... "	115,284,579	10,434,111	.....
1897..... "	111,365,987	3,918,592	.....
1898..... "	111,661,581	.....	295,594
1899..... "	113,958,468	.....	2,296,887
1900..... "	118,223,120	.....	4,264,652
1901..... "	126,814,690	.....	8,591,570
1902..... "	137,912,085	.....	11,097,395
1903..... "	124,366,405	13,545,680	.....
1904..... "	123,935,147	431,258	.....
1905..... "	126,527,121	.....	2,591,974
1906..... "	129,410,942	.....	2,883,821
1907..... "	130,359,118	.....	948,176
1908..... "	135,330,648	.....	4,971,530

VALUE OF THE WOOL CLIP.

Our estimates are based on the value of the scoured pound at the seaboard, which for the last eight years has been as follows :

TABLE III. — SCoured WOOL.

	Fleece and pulled.	Total value.	Value per pound.	
			Fleece.	Pulled.
	<i>Pounds.</i>		<i>Cents.</i>	<i>Cents.</i>
1901	126,814,690	\$51,164,709	41.1	36.7
1902	137,912,085	60,679,127	45.2	39.7
1903	124,366,405	58,775,373	48.8	43.4
1904	123,935,147	64,948,959	54.1	46.7
1905	126,527,121	80,415,514	65.4	57.4
1906	129,410,942	79,721,383	63.8	54.3
1907	130,359,118	78,263,165	62.3	50.2
1908	135,330,648	61,694,616	46.6	41.6

SCOURED WOOL.

The total value of the wool clip, scoured, for the year, estimated on the price in Boston, October 1, was \$61,694,616 for 135,330,648 pounds of wool. Last year 130,359,118 pounds were valued at \$78,263,165, which indicates the losses suffered through the panic by the wool growers of the country. The average value per pound of the fleece wool was 46.6, the lowest figure touched since 1902. The same is true of the 41.6 cents paid for the scoured pound of pulled wool.

WEIGHT AND SHRINKAGE.

The average weight of fleece is 6.70 pounds, an increase from 6.60 pounds in 1907. The weight for 1906 was 6.66 pounds; for 1905, 6.56 pounds; for 1904, 6.50 pounds; and for 1903, 6.25 pounds. The average shrinkage is 60.5 per cent. For 1907 the shrinkage was 60.6 per cent; for 1906, 61.8 per cent; for 1905, 61.3 per cent; for 1904, 61.6; and for 1903, 60.8 per cent.

TABLE IV.—FLEECE AND PULLED WOOL, WASHED AND IN THE GREASE.

	Product.	Decrease.	Increase.
1888..... pounds	301,876,121	293,829	.....
1889..... "	295,779,479	6,096,642	.....
1890..... "	309,474,856	.....	13,699,377
1891..... "	307,401,507	2,073,349	.....
1892..... "	333,018,405	.....	25,606,898
1893..... "	348,538,138	.....	15,519,733
1894..... "	325,210,712	23,327,426	.....
1895..... "	294,296,726	30,913,986	.....
1896..... "	272,474,708	21,822,018	.....
1897..... "	259,153,251	13,321,457	.....
1898..... "	266,720,684	.....	7,567,433
1899..... "	272,191,330	.....	5,470,646
1900..... "	288,636,621	.....	16,445,291
1901..... "	302,502,382	.....	13,865,707
1902..... "	316,341,032	.....	13,838,650
1903..... "	287,450,000	28,891,032	.....
1904..... "	291,783,032	.....	4,333,032
1905..... "	295,488,438	.....	3,705,406
1906..... "	298,715,130	.....	3,426,692
1907..... "	298,294,750	.....	948,176
1908..... "	311,138,321	.....	12,833,571

AVAILABLE SUPPLIES, 1903-1908.

Table V. contains an estimate of the available wool supplies for the year 1908-9, that is, pending the next clip, excluding imports after October 1, and supplies in manufacturers' hands, with the figures for corresponding years given for comparison. It is based on the Boston Commercial Bulletin's record of supplies in dealers' hands on January 1 last, the Department of Commerce and Labor's figures of imports, and the figures of the preceding tables.

TABLE V. — AVAILABLE SUPPLIES.

	1903.	1904.	1905.	1906.	1907.	1908.
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
Wool clip, fleece and pulled . .	287,450,000	291,783,032	295,488,438	298,915,130	298,294,750	311,138,321
Domestic wool on hand Jan-uary 1	110,499,572	112,081,000	41,873,811	72,461,443	94,402,046	84,556,560
Foreign wool on hand Jan-uary 1	12,372,000	15,699,000	11,562,000	24,414,000	15,169,000	15,188,500
In bond Jan-uary 1	28,319,246	33,735,970	41,181,360	56,788,129	40,928,806	52,955,081
Foreign wool im-ported, Jan-uary 1 to July 1	102,025,924	102,167,315	164,730,358	119,597,637	126,600,884	64,275,513
Total . . .	540,666,742	555,466,317	554,835,967	572,176,339	575,395,486	528,113,975
Imports of wool, July 1 to Oct. 1,	38,700,120	36,403,499	44,388,908	35,331,909	33,750,260	33,205,899
Total to Oct. 1	579,366,862	591,869,816	599,224,875	607,508,248	609,145,746	561,319,874

The gross imports for the three months ending September 30, 1908, are as follows:

1908.	Class I.	Class II.	Class III.	Total.
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
July	5,008,616	1,223,933	2,767,058	8,999,607
August	7,779,053	3,141,050	4,968,003	15,906,106
September	2,767,351	2,317,139	3,215,696	8,300,186
Total	15,573,020	6,682,122	10,950,757	33,205,899

For the corresponding three months of the previous year the imports were :

Class I.	Class II.	Class III.	Total.
<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
5,781,668	6,622,770	21,345,822	33,750,260

THE ANNUAL WOOL SUPPLY.

Table VI. shows the quantity of wool retained for consumption in the United States from 1890 to date. As the wool clip of the year reaches the market during the governmental fiscal year, the clip of any year is added to the imports of the fiscal year beginning July 1, so that the total supply for a series of years is accurately indicated by this combination, however it may differ from the available supplies in any one year of the series.

TABLE VI.—WOOL PRODUCED, IMPORTED, EXPORTED, AND RETAINED FOR CONSUMPTION.

Fiscal Year.	Total Imports.	Exports, Domestic and Foreign.	NET IMPORTS.		Production	Retained for Consumption.	FINE WOOL.	
			Classes I. and II.	Class III.			Retained for Consumption.	Per cent of Foreign.
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	
1890-91..	129,303,648	2,930,045	36,783,501	89,882,024	309,474,856	435,848,459	345,966,435	10.63
1891-92..	148,670,652	3,210,019	53,350,167	92,312,922	307,101,507	452,562,140	360,249,218	14.81
1892-93..	172,433,838	4,310,495	46,189,082	122,026,119	333,018,405	501,141,748	379,115,629	12.18
1893-94..	55,152,585	6,497,654	7,167,380	42,007,798	348,538,138	397,193,069	355,185,271	2.02
1894-95..	206,081,890	6,622,190	98,388,318	105,402,507	325,210,712	524,722,428	419,319,921	23.46
1895-96..	230,911,473	12,972,217	126,963,355	97,918,882	294,296,726	512,235,982	414,317,100	30.64
1896-97..	350,552,026	8,700,598	235,282,735	112,141,457	272,474,708	614,626,136	502,435,908	46.84
1897-98..	132,791,302	2,625,971	47,480,033	82,810,437	259,153,251	389,322,582	306,512,145	15.50
1898-99..	76,736,209	14,095,335	3,349,870	60,947,423	266,720,684	329,361,558	268,387,135	1.25
1899-1900	155,918,455	7,912,557	44,680,424	105,625,783	272,191,330	420,197,228	314,671,445	14.20
1900-01..	103,583,505	3,790,067	32,865,844	67,127,159	288,636,621	388,430,059	321,502,465	10.10
1901-02..	166,576,966	3,227,941	69,315,286	93,842,199	302,502,382	465,851,407	371,694,390	18.65
1902-03..	177,137,796	3,511,914	54,747,533	119,397,268	316,841,032	489,966,914	370,569,646	14.63
1903-04..	173,742,834	3,182,803	55,999,545	114,880,236	287,450,000	458,010,031	345,129,795	16.22
1904-05..	249,135,746	2,561,648	134,407,321	112,292,726	291,783,032	538,357,130	426,066,402	31.54
1905-06..	201,688,068	5,642,859	98,336,137	97,902,153	295,488,438	491,534,247	393,632,094	24.99
1906-07..	203,847,545	3,446,748	91,726,655	108,888,982	298,715,130	499,115,927	390,226,945	23.50
1907-08..	125,980,524	5,626,463	57,846,442	62,690,077	298,294,750	418,648,811	346,141,192	16.71

The proportion of fine wools decreased from 23.50 per cent in 1907 to 16.71 in the year under review, just about the per cent for the year 1903-4 and somewhat below the average for the eighteen years shown in the table. The net imports of Classes I. and II. are less by 33,880,213 pounds than last year and 76,560,879 pounds less than two years ago. The imports of Class III. are less by 56,198,905 pounds than the same imports of last year, and less than in any of the years in the table except 1893-4 and 1898-9. The exports and reexports, as a rule always small, are 2,179,715 pounds more than last year.

The following table, computed from Table VI., shows the total supplies for five-year periods, beginning in 1888, the ten years 1893-1902, the five-year period, 1903-1907, and the year 1908:

TABLE VII.—WOOL SUPPLY, 1888-1908 — DOMESTIC PRODUCTION, AND IMPORTS LESS EXPORTS.

Fiscal years ending June 30.	All wools.	Fine wools.
	<i>Pounds.</i>	<i>Pounds.</i>
1888-1892. Five years, total.....	2,122,407,842	1,686,818,840
Annual average.....	424,481,568	337,363,768
1893-1897. Five years, total.....	2,549,920,592	2,070,423,829
Annual average.....	509,984,118	414,084,766
1898-1902. Five years, total.....	1,988,771,621	1,582,374,537
Annual average.....	397,755,324	316,474,907
1893-1902. Ten years, total.....	4,538,692,213	3,652,798,366
Annual average.....	453,869,221	365,279,837
1903-1907. Five years, total.....	2,476,984,249	1,925,618,882
Annual average, five years.....	495,396,850	385,123,776
1908.....	418,648,811	346,141,192

SLAUGHTER AND MOVEMENT OF SHEEP.

The total number of sheep killed yearly at four western centers, Chicago, Kansas City, St. Louis, and Omaha, and total yearly receipts of sheep at eastern seaboard markets, Boston, New York, Philadelphia and Baltimore, are reported in the "Cincinnati Price Current Annual," as follows:

TABLE VIII. — SEABOARD SHEEP RECEIPTS AND SLAUGHTER AT PRINCIPAL WESTERN POINTS.

	Western killings.	Seaboard receipts.
1887	1,173,000	3,432,000
1888	1,275,000	3,453,000
1889	1,476,000	3,305,000
1890	1,622,000	3,274,000
1891	1,879,000	3,375,000
1892	2,112,000	3,394,000
1893	3,278,000	3,330,000
1894	3,565,000	4,079,000
1895	3,995,000	4,265,000
1896	4,299,000	3,611,000
1897	4,654,000	3,141,000
1898	4,647,000	2,988,000
1899	5,019,000	2,945,000
1900	4,798,000	3,093,000
1901	5,276,000	3,400,000
1902	5,832,000	3,443,000
1903	5,827,000	3,314,000
1904	5,465,000	3,128,000
1905	5,879,000	2,425,000
1906	6,117,000	2,606,000
1907	5,701,000	2,956,431

The seaboard receipts were 350,431 larger and the western killings were 416,000 smaller than those of last year, the total of 5,701,000 being 123,000 less than the average for the five preceding years.

In the past twenty years the western killings at the four centers and the seaboard receipts have increased from 4,605,000 to 8,657,000, the increase of 4,052,000 lacking only 553,000 of the total in 1887.

LONDON SALES.

The sixth of the London sales of Colonial wool for 1907 began November 26 and closed December 10. The net amount available was 127,000 bales, of which 113,000 were sold, leaving 14,000 to be carried over into this year. The distribution was as follows:

Home consumption.....	55,000 bales.
Continent.....	56,000 “
America.....	2,000 “

The following statement shows the supplies and deliveries of Colonial wool in the London market for the first five series of 1908, as compared with the same series of last year :

London Market.	1908.	1907.
Held over from December.....	14,000 bls.	2,000 bls.
Net Imports for the first 5 series....	860,000 "	699,000 "
	<hr/>	<hr/>
	874,000 bls.	701,000 bls.
Home Consumption....	459,000 bls.	401,000 bls.
Continental "	343,000 "	259,000 "
America "	34,000 "	34,000 "
	<hr/>	<hr/>
Total sold (first-hand wools)	836,000 bls.	694,000 bls.
	<hr/>	<hr/>
Held over.....	38,000 bls.	7,000 bls.

The net imports amounted to 860,000 bales, and as there were 14,000 bales held over from last year, the total available supply was 874,000 bales. The quantity available for each sale and the destination of the purchases are shown in the table which follows :

LONDON SALES — COLONIAL WOOL, FIRST FIVE SERIES, 1908, IN BALES.

	Available.	England.	Continent.	America.	Total Sales.	Held Over.
Jan. 1, 1908.....	.....	.....	.....	.....	.....	14,000
Jan. 21-Feb. 7.....	187,000	81,000	70,000	6,000	157,000	30,000
March 17-April 2...	203,000	77,000	44,000	4,000	125,000	78,000
May 12-May 29....	267,000	90,000	51,000	6,000	147,000	120,000
July 14-Aug. 1.....	276,000	102,000	76,000	10,000	188,000	88,000
Sept. 29-Oct. 19....	257,000	109,000	102,000	8,000	219,000	38,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Totals	860,000	459,000	343,000	34,000	836,000	38,000

The total sales were 836,000 bales distributed as follows : to England, 459,000 bales ; the Continent, 343,000 bales ; to America, 78,000 bales, and 38,000 bales were held over for the next series, which began November 24, the entries closing November 16. It is estimated that the total quantity available will be from 170,000 to 180,000 bales.

Of the fifth series, which began September 29, Helmut Schwartze & Co. said :

These sales have been exceptionally well attended throughout and competition has been most animated : Merino wool opened about on a par with the close of last sales. Crossbreds opened at from par to 5 per cent lower as compared with last sales. Apart from the wools taken by America, which fetched full July rates, the opening level was about maintained till the second half of the series, when some slight improvement set in so that crossbreds generally are now about on a par with July.

The preceding tabular statements refer only to the London market. Adding the transit wools and the direct imports, the total deliveries to the trade are stated by Helmut Schwartze & Co. to be as follows :

Distribution of Colonial Wool through England and direct.	Total Season. 1906.	Total Season. 1907.	Five Series. 1907.	Five Series. 1908.
	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>
Sold to England	750,000	857,000	786,000	829,000
“ “ Continent . . .	1,221,000	1,372,000	1,263,000	1,205,000
“ “ America	100,000	149,000	146,000	78,000
	2,071,000	2,378,000	2,195,000	2,112,000

Notwithstanding bad times in wool manufacture, the total bales sold were only 83,000 fewer than in the previous season, England's purchases being 43,000 bales heavier than in 1907, while America's purchases were reduced some 68,000 bales, or almost by half.

In treating of the Australasian season Buxton, Ronald & Co. in their annual report, issued under date of October 31, say :

Nothing could have been brighter or more cheering than the report of the trade which we were able to furnish in October last. All conditions appeared to be favorable, for the sun of prosperity, which had encouraged wool growers for several years, gave no sign that it was passing its zenith, and that the wool trade would soon be laboring heavily under a cloud of depression, and this and other countries pass through one of the severest periods of trade prostration in their history. What was a noticeable decline in values at the sales in December became depressing weakness in the New Year, until about Easter time a

level of prices was realized which called to mind the dark days of 1901.

In speaking of the hoped-for recovery in the trade the report continues: Some would think that the depression is more or less ephemeral in character, and look for recuperation and revival soon, but whilst that is heartily to be wished, it is an idea more or less contrary to the whole bearing of the situation. The decline has been too severe, and the liquidation too drastic for the effects of this world crisis to be got rid of in a short period. Having regard to existing want of confidence and to the fair stocks of wool on which users can draw, time alone can determine what the state of markets will be when the chances and uncertainties of the coming season are confronted with actual results. It must of necessity take time to reëstablish any upward movement, or to create any inquiry for woollen goods which will be calculated to effectively influence markets favorably.

The following statement shows how much lower London prices were this year than last for the various descriptions:

Merinos,	22½ per cent.
Crossbreds, fine qualities,	25 " "
Crossbreds, medium,	35 " "
Crossbreds, coarse,	40 " "

TABLE IX. — AUSTRALASIAN WOOL PRODUCTION.

Compiled from Customs Returns.

	SEASONS OF				
	1907-8.	1906-7.	1905-6.	1904-5.	1903-4.
	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>
New South Wales	856,407	956,630	816,000	660,000	510,000
Victoria	300,390	301,000	267,500	238,000	225,000
Queensland	234,709	204,000	176,000	99,000	115,000
South Australia	143,274	126,000	119,000	157,000	87,000
Western Australia	52,500	42,000	42,500	35,000	32,000
Tasmania	33,610	33,500	33,500	30,000	26,000
New Zealand	436,941	427,058	415,000	377,000	372,000
Total	2,057,831	2,090,188	1,869,500	1,596,000	1,387,000

"Dalgety's Annual Review" speaks of the clip of 1907-8 as follows:

It is almost impossible to generalize when dealing with a clip gathered from a continent the size of Australia, 2,974,581 square miles, five-thirteenths of the area being in the tropical and the balance in the temperate zone.

The chief characteristics, however, of the Australian clip of

the past season were undoubtedly its shortness of staple and large proportion of tender wool, whilst burr and seed were more evident than during the immediately preceding seasons. The main contributing cause towards shortness of staple was of course the late shearing of 1906, on account of unfavorable climatic conditions for that work, and the exceptionally dry spring of 1907, and high prices then current for the staple, leading to an early commencement last shearing.

Moreover, the season in many districts promised so badly that owners made a specially early start in order that they might remove their sheep to more favored localities before it became too late.

The causes referred to, viz., the late shearing of 1906 and the early shearing of 1907 resulted in perhaps half of the sheep being shorn when the wool upon them was of but ten to eleven months' growth, which accounted for the shortness of the staple, whilst the unfavorable season experienced during autumn, winter, and spring over the heaviest wool-producing districts, coming on top of a period of over-abundance of feed, gave a large output of tender and burry fleece.

The quality of the clip varied according to districts and the bulk of the wool was of finer quality than has been seen in recent years. A certain quantity, however, must be classified as "hunger-fine," generally accompanied by lack of body, and further depreciated by dust and weakness. Though on the average lighter in yolk and moisture than the preceding clip, the yield of clean scoured wool to the buyer turned out to be very disappointing; while if the actual quantity of top could be ascertained it would be found that the falling off in output of the semi-manufactured product as compared with that in the preceding year would be enormous, for the past clip has, for reasons already mentioned, given a poor percentage of top to noil. The noils were in many cases so heavily infested with vegetable defects as to account to a certain extent for the poor weight of tops produced.

The main features of the wool year were thus summarized :

1. The American financial crisis.
2. Depreciation in wool values.
3. Slump in prices for medium and coarse quality crossbred wools, and
4. Record prices obtained for really superior fine quality sorts.

During the season 2,057,831 bales were exported from Australasia, only 32,357 fewer bales than were sent abroad the previous

season. The value of the wool sold in the home markets averaged £13 2d. per bale, as compared with £14 3s. 11d. last year.

Respecting the future the report says that the coming clip will show a decrease and defects similar to those noticeable during the past season, viz., shortness and weakness of staple and vegetable matter.

WOOL EXPORTS FROM AUSTRALASIA.

	SEASONS OF				
	1907-8.	1906-7.	1905-6.	1904-5.	1903-4.
	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>
New South Wales	777,748	837,869	741,194	597,174	479,085
Victoria	462,815	506,650	431,406	381,016	314,218
Queensland	144,640	117,550	102,045	89,374	57,732
South Australia	163,892	146,431	124,472	108,838	98,484
West Australia	50,745	40,789	42,455	35,018	32,567
Tasmania	21,050	13,841	13,248	7,549	12,710
New Zealand	436,941	427,058	414,635	376,765	372,146
	2,057,831	2,090,188	1,869,455	1,595,734	1,366,942

This year for the first time the exports of wool are given in pounds as well as bales, it having been asserted for some years that flockmasters were constantly making their bales smaller and smaller by putting less and less wool into a bale. According to Dalgety the 2,090,188 bales produced in 1906-7 averaged 339.7 pounds to the bale, making a total of 710,168,448 pounds, whereas the 2,057,831 bales of 1907-8 made a total of 686,810,010 pounds, or an average per bale of 333.7 pounds, a decrease of 23,350,438 pounds or 69,975 bales of an average weight of 333.7 pounds per bale. In addition, the past season's clip did not yield, after scouring, nearly so good a percentage as the clip of 1906-7, so that putting the smaller yield at 3 per cent it is estimated that the yield in 1907-8 of clean scoured wool was 31,500,000 pounds less than during the previous twelve months. The following table shows the average weight of an Australian bale of wool during the last ten seasons :

	Greasy.	Scoured.
	<i>Pounds.</i>	<i>Pounds.</i>
1898-99.....	358	248
1899-00.....	365	258
1900-01.....	369	240
1901-02.....	368	244
1902-03.....	348	238
1903-04.....	361	243
1904-05.....	353	247
1905-06.....	360	238
1906-07.....	356	243
1907-08.....	350	239

Owing to the improvement in flocks and the increased proportion of crossbred wool, the number of fleeces necessary to make a bale has been steadily falling for the past ten or eleven years. At the same time the number of bales produced by a thousand sheep has been increasing. These facts are brought out by the following table:

	No. of Fleeces per Bale.	No. of Bales per 1000 Sheep.
1896-97.....	59.65	16.75
1897-98.....	60.08	16.64
1898-99.....	59.62	16.76
1899-00.....	57.95	17.25
1900-01.....	55.88	17.89
1901-02.....	55.42	18.04
1902-03.....	51.36	19.46
1903-04.....	55.51	17.99
1904-05.....	52.70	18.97
1905-06.....	50.27	19.89
1906-07.....	49.65	20.13
1907-08.....	52.90	18.90

AUSTRALASIAN SHEEP.

The following table shows the number of sheep in Australasia for the past five years :

TABLE X.—NUMBER OF SHEEP AT CLOSE OF YEAR IN AUSTRALASIA, 1903–1907.

	1907.	1906.	1905.	1904.	1903.
New South Wales	44,555,879	44,132,421	39,494,207	34,531,145	28,663,983
Victoria	14,146,734	12,937,440	11,455,115	10,167,691	10,500,000
Queensland	16,738,050	14,886,438	12,535,231	10,843,470	8,392,044
South Australia	7,023,000	6,700,000	6,524,300	5,298,720	5,000,000
West Australia	3,694,852	3,200,000	3,140,360	2,600,633	2,554,920
Tasmania	1,729,394	1,583,560	1,556,460	1,597,053	1,700,000
Australia and Tasmania . .	87,887,909	83,439,859	74,705,673	65,038,712	56,810,947
New Zealand	20,983,772	20,108,471	19,130,875	18,280,805	18,954,500
Total	108,871,681	103,548,330	93,836,548	83,319,517	75,765,447

The flocks, notwithstanding the innumerable rabbits, which are said to consume 40 per cent of the available food, causing heavy losses of sheep in years of drought; the continued subdivision of large estates for closer settlement and more than 17,000,000 sheep slaughtered in Australasia during the year, show an increase of 5,075,555 as compared with an increase of 9,701,702 the previous season.

RIVER PLATE WOOLS.

The export business of River Plate wools is done between July 1 and April 30. The following table shows the arrivals of these wools at the various European ports for the past fifteen years :

TABLE XI. — IMPORTS OF RIVER PLATE WOOLS INTO EUROPE BETWEEN JULY 1 AND APRIL 30, SUCCEEDING, 1894 TO 1908 INCLUSIVE.¹*In thousands of bales.*

Year.	Dunkirk.	Havre.	Antwerp.	Bremen.	Ham- burg.	Other Ports.	Total.	Of which from Monte- video.
1894	149	14	68	38	56	15	340	34
1895	133	7	78	36	46	30	330	45
1896	195	20	90	50	50	35	440	70
1897	161	11	76	33	58	12	351	35
1898	163	8	80	80	81	56	468	80
1899	221	14	71	45	81	29	461	54
1900	169	8	67	50	61	33	388	45
1901	94	16	52	29	44	35	270	55
1902	208	12	79	34	89	78	500	54
1903	172	9	62	35	65	67	410	51
1904	149	8	58	38	70	48	371	41
1905	132	6	70	35	70	68	381	45
1906	138	33	56	28	73	85	413	56
1907	132	19	55	19	93	71	389	46
1908	121	30	54	16	79	57	357	53

¹ Wool circular of Wenz & Co., Reims, May, 1908.

The production for twelve years (twelve months, October 1 to September 30) is as follows :

SEASON OF	ARGENTINA.			URUGUAY.			GRAND TOTALS.		
	Quan- tity.	Ave. weight, Bales.	Total weight.	Quan- tity.	Ave. weight, Bales.	Total weight.	Quan- tity.	Ave. weight, Bales.	Total weight.
	<i>Bales.</i>	<i>Kilo.</i>	<i>Metric</i> <i>Tons.</i>	<i>Bales.</i>	<i>Kilo.</i>	<i>Metric</i> <i>Tons.</i>	<i>Bales.</i>	<i>Kilo.</i>	<i>Metric</i> <i>Tons.</i>
	<i>a.</i>	<i>b.</i>	<i>a. c.</i>	<i>a.</i>	<i>b.</i>	<i>a. c.</i>	<i>a.</i>	<i>b.</i>	<i>a. c.</i>
1895-96.....	443,0	380	168,3	100,0	466	46,5	543,0	396	214,9
1896-97.....	486,0	412	200,3	88,0	466	41,0	574,0	420	241,3
1897-98.....	495,0	417	206,5	90,0	466	42,0	585,0	424	248,5
1898-99.....	487,0	425	207,2	81,0	469	38,0	568,0	431	245,2
1899-00.....	465,0	420	199,4	85,0	470	40,0	550,0	435	239,4
1900-01.....	405,0	445	181,0	86,5	471	40,8	491,5	451	221,8
1901-02. ...	444,0	445	197,6	86,0	470	40,4	530,0	449	238,0
1902-03.....	481,0	412	198,4	104,0	471	49,0	585,0	422	247,4
1903-04.....	416,0	420	174,7	86,0	470	40,4	502,0	428	215,1
1904-05.....	411,0	417	171,2	82,5	472	38,9	493,5	425	210,1
1905-06.....	395,0	417	165,0	90,5	450	40,7	485,5	423	205,7
1906-07.....	389,0	417	162,2	99,0	454	44,7	488,0	424	206,9

a. Two 00 omitted, thus 443,0 = 443,000.*b.* Kilo equals 2,2046 pounds.*c.* Metric ton equals 2,2046 pounds.

IMPORTS INTO UNITED STATES OF ARGENTINE WOOLS FOR YEARS 1904-1908 INCLUSIVE, IN POUNDS.

Year.	Class I.	Class II.	Class III.	Total.
1904.....	18,018,443	100,548	10,049,069	28,168,060
1905.....	41,094,617	362,562	6,238,388	47,695,567
1906.....	36,352,480	.....	5,815,447	42,167,927
1907.....	19,247,683	94,866	3,852,659	23,195,208
1908.....	14,311,498	.....	1,909,787	16,221,285

The increase in the importations of Argentine wools, which was manifest in the three years preceding 1906, received a check in 1907. This year there is a further decrease in the Argentine wools in all classes, the falling off in Class I. wools being very marked, bringing the total of 14,311,498 pounds below the figures of 1904. In 1908 no wools of Class II. were imported, while in 1907, 94,866 pounds came into the country. The imports of Class III. wools in 1908 show a falling off of 1,942,872 pounds, and were less than one-fifth the amount imported in 1904.

Wenz & Co., under date of May, write concerning the Argentine clip, flocks, and season as follows :

The winter was favorable and lambing took place under good conditions, but the clip was delayed by rain and night frosts. The new wool was on the whole lighter and cleaner than last year, but bright southern wools were frequently short and tender. . . . The financial crisis early in November caused prices to decline especially for lower grades. . . . The season progressing but slowly, it was the middle of December before the first quarter of the clip was sold and the middle of April before three-fourths were disposed of. . . . In the Province of Buenos Ayres, where agriculture is spreading with the railways, finer wools are now very scarce, the bulk of the clip being composed of low grades. . . . Cross-breds realized Buenos Ayres rates, but went off slowly as owners held on in vain hopes of improvement, having paid very high prices up country.

Since the beginning of the year the whole country has been suffering from drought, especially in the South. A few weeks ago the pastures were still very parched and the prospects for the winter were bad. Since then the reports are rather better and it is to be hoped that sheep, which suffer less than cattle, will get through all right.

THE COURSE OF PRICES.

The prices in 1908 for fine and fine Delaine wools were much better maintained than for the medium wools, the decrease in the prices for the former averaging about three cents a pound, while for the latter the drop was six cents or double that of the other descriptions. These changes and the course of the market are shown in Table XII. and graphically indicated by our Chart of Fluctuations in Wool Prices, facing this page, in which Ohio XX. and Port Phillip average grease represent Boston and London prices for practically similar grades of wool. The Boston prices of Kentucky three-eighths combing, unwashed; Ohio Delaine, washed; territory fine medium and Texas spring, twelve months, scoured, and also the course of prices for 60's Botany and 40's crossbred tops in Bradford are shown.

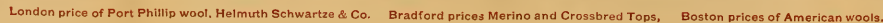
BOSTON RECEIPTS AND SHIPMENTS OF WOOL.

Table XIII. shows the annual receipts of domestic and foreign wool in Boston by months for the years 1900 to 1908, inclusive, and Table XIV. shows the shipments in pounds from Boston, by months, over the several railroads and by sea for the year. Only the direction and amounts of the shipments can be determined by this table; both are misleading to a certain extent in that they contain shipments of wool from Boston to be scoured, some of which is re-shipped to Boston and again sent away, thus causing duplication in the tables.

The receipts of domestic wool in Boston up to November 1 were 612,784 bales as compared with 606,572 bales in 1907. While the domestic receipts show an increase in excess of 6000 bales, the receipts of foreign wool are almost 91,000 bales below those of the corresponding months of 1907. The domestic receipts, if they are maintained for the remaining two months of the year, bid fair to exceed those of any year represented in the table, except 1902. The shipments from Boston for the ten months of the current year were 152,563,810 pounds as compared with 210,976,207 pounds in the corresponding months of 1907.

PUBLISHED BY THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS, BOSTON, MASS., U. S. A.

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London price of Port Phillip wool, Helmuth Schwartze & Co. Bradford prices Merino and Crossbred Tops, Boston prices of American wools.

TABLE XII. — COMPARATIVE PRICES OF DOMESTIC WOOL IN BOSTON,
OCTOBER, 1894-1908.

	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908
OHIO, PENNSYLVANIA, AND WEST VIRGINIA.															
<i>(Washed.)</i>															
XX and above . . .	19	19	19	29½	29½	31½	28½	26½	28½	34	36	36½	34	34	33
Medium	20½	22	19½	30½	30	34½	28½	26	29	32	36	41½	40	40	34
Fine Delaine	21	20½	19½	30½	29½	34½	28½	28	31½	36	36	37½	36	38½	35
<i>(Unwashed.)</i>															
Fine	14	13½	13½	21	19½	22½	18½	19½	21½	23½	24	27	26	27	23
Medium	18	18½	15½	23	22½	25	23½	20	23	25	30	34½	33	33	26
Fine Delaine	15	15	14	21	21½	24½	21½	21	24	26	27	30	28	31	28
MICHIGAN, WISCONSIN, NEW YORK, ETC.															
<i>(Washed.)</i>															
Fine	17	16½	15½	24	22½	25½	22½	20½	24	27½	27½	31*	30*	30*	28*
Medium	21	21	18½	29	27½	32	27½	24½	27	31	33	40	39	39	33
Fine Delaine	19	18½	18½	27	27½	31½	26½	24½	29	34	34	36	34	37	34
<i>(Unwashed.)</i>															
Fine	12½	11½	11½	18½	17½	20	16½	17	19	21½	22	25	24	25½	22
Medium	17½	18	15	22	22	22½	22½	19½	21½	24	29	33	32	32	25
Fine Delaine	15	14	13	19½	19½	22½	18½	19	22	23½	25	28	26	29	26
KENTUCKY AND INDIANA.															
<i>(Unwashed.)</i>															
Medium	16½	18½	16	23	22½	22½	24½	21	22½	24½	30	35	33	31	25
MISSOURI, IOWA, AND ILLINOIS.															
<i>(Unwashed.)</i>															
Medium	17	17½	15	22	21½	22	22½	19½	21½	23½	29	34	32	30	24
TEXAS.															
<i>(Scoured Basis.)</i>															
Spring, fine, 12 months	33	32	31	46	44	49	50	44	52½	52½	62	75	70	71	55
Fall, fine	30	28	27	43	41½	44	41	37	46	42½	52	62	58	58	45
CALIFORNIA.															
<i>(Scoured Basis.)</i>															
Spring, Northern, free, 12 months . .	35	33½	31	46	44	49	49	43½	50	52	62	74	70	68	50
Fall, free	29	28	27	42½	41	44	41	38½	43	42½	53	62	60	58	40
TERRITORY WOOL, IN- CLUDING MONTANA, WYOMING, UTAH, IDAHO, OREGON, ETC.															
<i>(Scoured Basis.)</i>															
Staple fine	35	34	33	50	47½	55	51	46	55	55	65	76	71	73	60
“ medium	33	32	30	48	45	50	48	44	50	51	60	70	66	68	52
Clothing, fine	34	32	31	48	45	50	48	43	48	50	60	72	68	65	53
“ medium	31	30	27½	45	44	48	47½	40	45	46	55	63	63	60	45

* Nominal.

TABLE XIII. — RECEIPTS OF WOOL IN BOSTON IN BALES AND BAGS, 1902-1908.
(*Boston Chamber of Commerce, Daniel D. Morss, Secretary.*)

	1902.		1903.		1904.		1905.		1906.		1907.		1908.	
	Domestic.	Foreign.	Domestic.	Foreign.	Domestic.	Foreign.	Domestic.	Foreign.	Domestic.	Foreign.	Domestic.	Foreign.	Domestic.	Foreign.
January	52,668	7,204	39,500	7,558	44,952	11,038	24,258	40,380	32,869	14,584	38,242	19,893	25,633	12,076
February	43,728	10,263	34,133	23,640	35,576	17,089	12,748	39,613	22,641	33,263	30,997	40,123	23,244	19,654
March	43,050	23,104	31,038	25,660	38,741	18,535	22,617	35,857	29,760	31,352	29,276	38,971	24,658	8,579
April	36,165	31,165	32,047	22,709	33,614	23,990	25,572	30,896	27,536	33,424	29,192	24,271	22,791	15,651
May	59,881	15,478	33,062	21,085	48,311	18,527	60,208	28,542	35,810	16,439	37,714	28,059	33,005	14,141
June	93,828	5,437	83,398	10,388	96,292	26,877	91,091	45,976	64,274	11,250	64,613	21,936	69,295	13,073
July	146,729	10,796	128,661	9,875	153,710	14,147	113,777	14,317	113,506	5,113	125,048	7,038	148,740	8,617
August	125,821	16,596	111,957	20,364	124,239	27,350	113,401	17,619	113,219	13,842	194,637	18,658	156,747	17,662
September	61,484	9,103	56,764	13,150	38,517	15,778	34,126	10,866	60,086	8,086	55,385	15,472	62,565	7,957
October	39,839	12,207	46,971	12,713	34,459	20,713	25,658	9,487	35,352	12,854	42,468	9,636	46,106	15,590
November	55,727	8,325	38,080	8,970	35,402	22,005	26,060	12,004	27,796	14,160	40,172	6,030		
December	47,020	10,712	37,557	13,219	28,650	26,259	30,169	11,217	32,941	14,991	20,244	4,180		
Total	805,940	160,390	673,168	189,231	712,453	242,108	580,185	296,794	594,892	209,358	665,988	234,167	612,784	133,000
Weight in pounds ...	231,416,156	82,357,996	183,562,150	95,544,448	199,638,757	112,058,782	167,588,763	153,033,538	166,071,466	109,781,501	185,879,807	96,212,199	165,912,318	61,212,329

TABLE XIV. — SHIPMENTS OF WOOL FROM BOSTON BY MONTHS.
(*Boston Chamber of Commerce, Daniel D. Morss, Secretary.*)

RAILROADS.	1907.												1908.											
	November.	December.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	Total 10 months Since Jan. 1, 1908.											
	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.											
Boston & Albany R.R.:																								
Boston & Albany	659,190	458,586	327,490	423,670	640,585	1,110,165	2,297,735	2,336,298	2,607,014	2,240,325	2,209,539	2,014,647	16,207,468											
Grand Junction	886,840	401,710	439,830	627,360	657,480	370,430	1,012,210	693,500	2,086,812	990,650	1,221,200	424,867	8,324,369											
New York, New Haven & Hartford R.R.:																								
Boston & Maine R.R.:																								
Boston & Maine	2,299,270	2,676,590	2,973,126	2,782,184	2,991,080	3,336,965	4,212,824	4,237,190	6,095,556	5,912,445	4,876,610	5,863,290	43,281,270											
Eastern & Western Division:																								
Southern Division:	8,325,220	6,495,140	7,625,900	4,056,580	2,975,400	3,817,010	3,980,650	5,622,700	6,515,460	5,689,900	5,638,800	6,373,600	52,296,000											
Fitchburg Div.,	301,633	305,360	862,200	651,490	1,130,860	1,438,628	1,109,165	618,916	413,919	1,407,180	2,328,378	1,258,036	11,218,772											
By sea	203,170	69,617	188,330	363,296	416,105	664,096	204,538	1,266,916	476,250	355,960	957,024	1,214,073	6,106,588											
	1,446,313	741,613	1,418,240	1,277,124	1,121,903	1,270,202	1,757,024	1,467,334	1,101,535	1,528,370	1,744,141	1,703,470	14,389,343											
Total	14,121,636	11,148,616	13,835,116	10,181,704	9,933,413	12,007,496	14,574,146	16,242,854	*19,836,546	18,124,860	18,975,692	18,851,983	*152,563,810											
Total after January 1	225,097,845	236,246,461	13,835,116	24,016,820	33,950,233	45,957,729	60,531,875	76,774,729	96,611,275	114,736,135	133,711,827	152,563,810	152,563,810											
Total after January 1, preceding year	209,223,919	230,503,585	25,711,048	49,281,888	80,620,873	99,647,472	116,447,703	132,398,013	153,266,660	175,382,801	192,465,580	210,976,209												

* Includes 540,000 pounds destroyed by fire at B. & A. Grand Junction, July 8, 1908.

TABLE XV.—WOOL IMPORTED INTO BOSTON, NEW YORK, AND PHILADELPHIA, FISCAL YEAR, ENDING JUNE 30, 1908, BY COUNTRIES OF PRODUCTION, IMMEDIATE SHIPMENT, AND CLASSES.

COUNTRIES OF PRODUCTION.	Countries of immediate shipment.	CLASSIFICATION.			TOTAL.
		Class 1.	Class 2.	Class 3.	
		Pounds.	Pounds.	Pounds.	Pounds.
Austria-Hungary	Austria-Hungary			152,531	152,531
Belgium	Belgium			7,569	7,569
Denmark	Denmark			4,824	4,824
France	France	7,137	102	472,247	479,486
	Germany	7,565		931,593	
	Servia			29,690	
	Chinese Empire			41,718	
Greece	Italy			24,351	24,351
	Denmark			471,176	
Greenland, Iceland, etc.	Greenland, Iceland, etc.			179,108	651,739
	United Kingdom			1,455	
	France			56,368	
Italy	Italy	165		143,242	199,775
Portugal	Portugal			273,272	273,272
	France			8,876	
Russia in Europe	Russia in Europe		1,797	10,821,392	11,259,730
	United Kingdom	2,048		425,617	
	Austria-Hungary			157,995	
Servia	Belgium			16,046	220,042
	Germany			46,001	
	Belgium			11,332	
Spain	France	30,665		953,459	2,080,365
	Spain			979,549	
	Portugal			105,360	
	France			14,744	
Turkey in Europe	Turkey in Europe	150	187,992	1,688,184	1,895,643
	United Kingdom			1,906	
	Turkey in Europe			1,777	
United Kingdom	United Kingdom	157,075	6,726,839	8,562,075	15,747,766
Bermuda	Bermuda	115			115
Canada	Canada	410	30,935		31,345
Panama	Panama		400		400
Mexico	Mexico	10,494			10,494
West Indies—British	West Indies—British			735	735
Dutch	Dutch			25,305	25,305
Nicaragua	Nicaragua			70	70
	Belgium	634,125		974,842	
Argentina	United Kingdom	2,234,960		11,869	16,221,285
	Argentina	11,442,413		923,076	
	France			215	
Brazil	Brazil			8,396	8,611
Chile	Chile	139,264	10,851	67,387	217,502
	United Kingdom	93,197			
Falkland Islands	Falkland Islands	81,620			174,817
	United Kingdom		25,843		
Peru	Peru	55	217,309		243,207
	France	145			
Uruguay	United Kingdom	231,065			1,604,221
	Uruguay	1,373,011			
Venezuela	Venezuela			9,303	9,303
Aden	Aden			500,609	500,609
	Germany			187,364	
	Russia in Europe			3,572,884	
Chinese Empire	United Kingdom			109,035	21,717,431
	Chinese Empire		445	17,501,712	
	Russia, Asiatic			345,991	
East Indies—British	United Kingdom	84,321		2,936,178	4,936,421
	East Indies—British			1,915,922	

TABLE XV. — *Continued.*

COUNTRIES OF PRODUCTION.	Countries of immediate shipment.	CLASSIFICATION.			TOTAL.
		Class 1.	Class 2.	Class 3.	
		<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
East Indies — Dutch	East Indies — Dutch.			565	565
Hongkong	Hongkong		220		220
Persia	Austria-Hungary			2,652	546,847
	Russia in Europe			6,176	
	Persia			538,019	
	France			1,595	
Russia — Asiatic . .	Germany			3,083	1,654,234
	Russia in Europe			675,785	
	United Kingdom			102,081	
	Russia, Asiatic			871,690	
	Austria-Hungary			21,187	8,790,350
	France			90,553	
Turkey in Asia . .	Germany	176			
	Turkey in Europe		690,945	436,324	
	United Kingdom		63,913	373,170	334,663
	Turkey in Asia		96,891	7,017,191	
	Russia in Europe			237,760	
Asia, all other . .	Turkey in Europe			31,127	
	United Kingdom			40,103	22,954,983
	Turkey in Asia			25,678	
	Belgium	37,185			
	Germany	7,033			
Australia and Tas-	United Kingdom	7,634,839			4,077,593
mania	Australia and Tas-				
	mania	15,224,057			
	New Zealand	51,869			
New Zealand . . .	Belgium	25,509			229,316
	United Kingdom	2,891,388			
	New Zealand	1,160,696			
	United Kingdom	47,794	171,253		
British Africa —	British Africa—South	8,302	180	594	229,316
South	East	1,193			
Total		43,620,041	8,229,598	66,448,662	118,298,301
Imported into . . .	BOSTON	34,002,148	7,247,799	13,023,020	54,272,967
	NEW YORK	3,397,855	522,524	36,778,123	40,698,502
	PHILADELPHIA	6,220,038	459,275	16,647,519	23,326,832

TABLE XVI. — WOOL IMPORTED INTO BOSTON, NEW YORK, AND PHILADELPHIA.
BY PORTS AND CLASSES.

GROSS IMPORTS YEAR ENDING JUNE 30.	BOSTON.			NEW YORK.			PHILADELPHIA.			TOTAL.
	Class 1.	Class 2.	Class 3.	Class 1.	Class 2.	Class 3.	Class 1.	Class 2.	Class 3.	
	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	
1896.....	78,398,112	9,539,881	30,325,673	28,939,693	543,352	52,764,614	8,301,279	2,070,608	15,055,110	225,938,322
1897.....	137,221,457	23,156,843	33,421,729	48,428,014	2,371,604	62,522,561	9,884,925	1,811,398	13,676,511	332,495,042
1898.....	36,205,712	2,672,113	22,823,137	5,865,916	458,732	50,071,999	2,306,013	17,505	9,661,885	130,083,012
1899.....	8,335,942	1,554,556	12,456,404	2,911,683	155,121	43,251,114	1,517,560	344,368	4,971,888	75,498,636
1900.....	30,192,843	5,343,455	29,333,226	3,561,996	1,275,068	61,922,600	3,281,782	3,266,758	14,486,204	152,663,872
1901.....	22,416,924	3,396,580	19,963,032	3,602,497	210,782	39,112,400	2,072,551	572,304	8,171,451	101,518,521
1902.....	51,479,822	2,820,800	21,778,976	7,308,817	920,301	52,417,988	5,468,922	266,807	19,780,677	162,243,110
1903.....	30,601,779	8,877,714	35,294,573	5,323,738	1,693,694	54,119,001	4,443,990	1,991,395	29,648,574	171,994,458
1904.....	37,821,884	8,980,496	37,984,908	3,070,482	1,389,643	45,582,335	4,509,591	362,262	27,699,439	170,401,040
1905.....	86,741,441	19,018,797	37,070,260	9,908,856	2,908,801	44,082,025	11,146,872	1,569,526	30,346,375	242,792,953
1906.....	64,801,760	8,336,094	22,420,950	8,555,810	1,657,970	49,278,261	10,227,347	1,772,888	26,788,974	193,840,034
1907.....	61,116,729	4,204,964	25,713,122	8,817,037	1,159,185	61,357,911	8,744,454	854,390	22,226,390	194,194,182
1908.....	34,002,148	7,247,739	13,023,020	3,397,855	522,524	36,778,123	6,220,038	459,275	16,647,519	118,298,301

TABLE XVII. — WOOL IMPORTED INTO BOSTON, NEW YORK, AND PHILADELPHIA.
BY PRINCIPAL COUNTRIES OF PRODUCTION.

YEAR ENDING JUNE 30.	Russia.	Turkey.	United Kingdom.	Argentina.	Uruguay.	Chinese Empire.	British E. Indies.	British Australia.	All other Countries.	TOTAL.
	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.
1896.....	13,150,509	17,987,753	14,229,068	32,281,341	9,048,350	26,084,232	9,897,531	72,995,090	30,264,448	295,938,322
1897.....	19,706,449	20,239,717	27,759,419	64,969,556	15,004,257	21,461,478	10,989,980	109,912,851	42,451,335	332,495,042
1898.....	16,999,224	9,282,762	12,434,332	16,734,279	1,309,974	20,369,294	6,445,063	31,877,252	14,630,832	130,083,012
1899.....	13,373,350	5,697,377	9,156,624	7,957,657	149,573	14,276,124	6,949,491	7,249,740	10,688,700	75,498,636
1900.....	18,869,252	9,577,147	20,393,063	20,064,279	1,072,307	30,398,289	9,397,020	23,121,394	19,171,121	152,463,872
1901.....	13,720,814	8,355,941	16,919,793	14,358,218	783,075	9,181,105	4,146,698	22,570,030	11,482,847	101,518,521
1902.....	16,322,231	12,215,316	21,737,509	45,287,370	533,634	18,843,396	6,813,401	26,559,531	13,930,722	162,243,110
1903.....	19,455,392	15,440,933	31,778,842	23,265,309	541,384	26,032,976	11,850,446	25,238,498	18,390,678	171,994,458
1904.....	23,403,797	17,742,473	26,807,042	28,168,060	112,208	24,912,491	10,088,556	25,792,098	13,374,315	170,401,040
1905.....	23,790,451	23,454,987	25,213,450	47,695,567	7,740,309	30,023,157	12,202,135	56,212,733	16,460,214	242,792,953
1906.....	21,180,755	16,032,199	21,615,963	42,167,927	5,807,190	30,233,762	6,011,319	39,548,551	11,242,388	193,840,054
1907.....	21,231,378	15,710,735	14,863,620	23,195,208	5,856,611	39,762,115	8,697,581	52,538,582	12,338,352	194,194,182
1908.....	12,913,964	10,686,993	15,747,766	16,221,285	1,604,221	21,717,431	4,936,421	27,032,576	7,438,644	118,298,301

NOTE. — These figures represent about 98.5 per cent of the total quantity of wool imported into all ports of the United States.

TABLE XVIII. — IMPORTS OF WOOL MANUFACTURES, 1902-1908.

	1902.		1903.		1904.		1905.		1906.		1907.		1908.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
GROSS IMPORTS YEARS ENDING JUNE 30.														
Carpets (sq. yds.)	999,913	\$3,447,776	1,080,207	\$3,753,516	844,932	\$2,797,308	818,850	\$2,877,993	1,182,005	\$4,643,520	1,068,010	\$4,435,067	686,784	\$2,795,066
Clothing, etc., except shawls and knit goods	.....	1,330,219	.....	1,922,494	.....	1,309,995	.....	1,372,145	.....	1,626,279	.....	1,674,915	.....	1,620,270
Cloth, pounds	4,736,999	4,800,838	4,764,223	4,864,099	4,046,099	4,158,597	3,746,697	3,977,059	4,870,818	5,157,420	5,336,546	5,732,200	4,443,248	4,859,796
Dress goods (sq. yds.)	32,858,042	6,404,617	41,438,596	7,513,725	43,857,599	8,295,855	45,170,270	8,612,663	52,830,942	10,049,686	45,924,917	9,240,245	45,035,142	9,217,804
Knit fabrics	.....	571,565	.....	670,774	.....	515,747	.....	224,383	.....	265,133	.....	210,856	.....	35,635
Shoddy, flecks, etc., pounds	249,538	63,053	333,688	92,328	218,618	52,697	277,223	86,978	1,171,095	433,863	674,289	271,116	1,265,038	125,804
Shawls	.....	49,504	.....	56,872	.....	54,084	.....	65,253	.....	45,544	*	*	*	*
Yarns, pounds	402,150	196,486	361,865	195,410	159,759	112,925	183,211	129,736	198,601	156,629	195,797	154,668	192,826	151,035
All other	.....	520,405	.....	471,503	.....	526,000	.....	547,455	.....	702,609	.....	602,170	.....	582,568
	.....	17,384,463	.....	19,545,721	.....	17,733,788	.....	17,893,663	.....	23,080,683	.....	22,321,237	.....	19,387,978

* Included in "All other."

STATISTICS OF IMPORTS OF WOOL AND WOOLENS.

The Hon. O. P. Austin, chief of the Bureau of Statistics of the Department of Commerce and Labor, has kindly furnished us with numerous tables showing various important facts with respect to imports of wool and wool manufactures for the fiscal year ending June 30, 1908, which appear in Tables XV. to XVII., the table showing imports entered for consumption, on page 474, and Table XVIII., on page 394, gross imports of wool manufactures.

COUNTRIES OF PRODUCTION AND SHIPMENT.

Table XV., page 390, shows the countries of production and immediate shipment of wools imported into the United States during the fiscal year ending June 30, 1908.

Of the total amount of Class I. wools imported, 43,620,041 pounds, compared with 78,678,620 pounds last year, 27,032,576 came from Australasia, a decrease of 25,505,906 pounds; 14,311,498 pounds came from Argentina, a decrease of 4,936,185 pounds, and 1,604,221 pounds came from Uruguay, a decrease of 4,252,216 pounds.

The supplies of Class III. wools were drawn chiefly from the following countries; the two preceding years are given for comparison.

	1908.	1907.	1906.
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
Chinese Empire	21,716,986	39,762,115	30,232,907
Russia (Europe and Asia)...	12,910,119	21,231,378	21,180,105
United Kingdom.....	8,862,075	9,996,779	11,132,267
Turkey (Europe and Asia) ..	9,644,020	15,516,492	15,447,772
British East Indies	4,852,100	8,696,918	5,921,592
Argentina.....	1,909,787	3,852,659	5,815,447
All other	7,553,575	10,241,082	8,758,095
	66,448,662	109,297,423	98,488,185

Since 1890 this is the smallest total except for the years 1894 and 1899, although that for 1901 exceeds it but slightly.

PORTS OF IMPORT.

Tables XVI. and XVII., on pages 392 and 393, contain the statistics of the imports of wool into the three principal ports of entry, Boston, New York, and Philadelphia, for the fiscal year.

Boston shows largely reduced imports of wools of Classes I. and III. and a moderate increase in Class II. wools. New York's imports of Classes I. and II. are each about half those of last year, while those of Class III., the smallest shown in the table, are 24,579,788 pounds smaller than in 1907. The Philadelphia imports show a marked decrease in all the classes.

GROSS IMPORTS AND IMPORTS ENTERED FOR CONSUMPTION.

The figures in the table on page 474, showing the imports of foreign wools and the manufactures of wool entered for consumption during the fiscal year, differ from those in the tables of gross imports and must not be confused with them. Only those quantities which go into consumption are included in the former, while in the tables of gross imports, XV., XVI., XVII., and XVIII., all imports, those entered in bond as well as those withdrawn for consumption upon importation, are embraced.

The table of imports for consumption shows a decrease of 61,054,344 pounds of wool as compared with 1907, the total being 135,970,907 pounds. The decrease of Classes I., II., and III. wools was 30,882,372, 582,332, and 28,599,640 pounds, respectively.

The imports of all waste products, including noils and wastes, mungo, flocks, shoddy, and rags, amounted to 271,180 pounds, with a foreign value of \$109,604. The average value per pound was 40.4 cents and the duty was 46.42 per cent.

The total imports of wool manufactures, \$19,102,283 (foreign value), entered for consumption show a decrease of \$3,254,922. Cloths show a decrease of \$986,827, dress goods, \$490,885, and wearing apparel, \$212,372.

Table XVIII., page 394, which gives the gross imports of wool manufactures, shows a total foreign value of \$19,387,978, a decrease from 1907 of \$2,933,259 and \$273,506 below the average for the preceding six years.

John Bruce McTherson.
Secretary.

WHAT ARE THE PROTECTED INDUSTRIES?

By WILLIAM WHITMAN.

It is proclaimed by those to whom the coming revision of the tariff means a sharp reduction all along the line, and a far step toward free trade, that this revision, unlike its predecessor of 1897, will be undertaken in the especial interest of the "millions of consumers" among the American people, and not at all in the interest of the so-called "protected industries." Such remarks as these are now flying thick and fast in the anti-protection press; they are on the tongues of those public men who in season and out of season have been demanding the overthrow of the whole protective system. This hasty differentiation of the eighty million inhabitants of continental America into those who are consumers and are many, and those who are producers in protected callings and are alleged to be relatively few, suggests and justifies a little sober inquiry into what is really signified by the two contrasted terms.

First as to "consumers" — are we not, all eighty million of us, consumers in varying character or degree? We all require and consume food; we require and wear clothing; we are all dependent on the output of the productive industries for our very life from day to day — for our sustenance and shelter. Speaking broadly, there is no consuming class in the United States as distinguishable from any other class, because the consuming class is the entire nation.

But who, then, are the producers? Why, in modern America, almost everybody of adult age. It is true that they are employed in different kinds of productive energy, and that the product of many is not actual material or merchandise but service. Yet in the essential significance of the word, almost all are producers, or active contributors to the comfort and progress of humanity. There are and have

been relatively few drones in our industrial democracy, and they do not increase in normal years — only in years of depression. This little anecdote is not new, but apposite: “In America you have no leisure class,” triumphantly declared the European, arguing for the social superiority of the Old World over the New. “Ah, but we have,” the quick-witted American girl replied. “We have a leisure class; we call them ‘tramps.’” Here certainly is our largest and our only well-distinguished class of consumers who are not also in some sense producers.

HOW WORKERS ARE CLASSIFIED.

The Federal enumeration of the American people in 1900 stated thus the occupations of all those over ten years of age engaged in the great National industries:

Agriculture	10,381,765
Professional Service	1,258,538
Domestic and Personal Service	5,580,657
Trade and Transportation	4,766,964
Manufacturing and Mechanical Pursuits	7,085,309

All of the 10,381,765 persons engaged in agriculture are certainly producers in the most obvious sense of the word; so are the 7,085,309 engaged in manufacturing and mechanical pursuits — and these two great divisions together represent more than three-fifths of the entire grand army of American workers. But who shall say that the 29,524 architects, designers and draftsmen, the 50,717 electricians and the 43,239 engineers classified as engaged in professional service are not as genuinely producers as those engaged in manufacturing, or the 2,629,262 persons classified as laborers and the 1,560,721 classified as servants and waiters in domestic and personal service? The more closely one studies the details of this census enumeration the more manifest it becomes that it is folly and worse to attempt to draw a hard-and-fast line through the nation, and arbitrarily split up the whole American race into consumers and producers, separate

in character and antagonistic in interest. Every man and every woman toiling with hand or brain for daily bread, for low wage or high wage, is a producer, a distinct unit in the gigantic industrial machinery that is rolling up our unparalleled material wealth.

A SCHEME TO DIVIDE AND CONQUER.

It has long been a favorite expedient of those who sought to destroy the protective system to urge that a very great majority of even those workers employed in productive industries were engaged in non-protected industries, and to follow this up with the further assertion that the wages in the non-protected industries were very much higher than in the protected industries — and, ergo, that protection did not increase wages at all. The carpenter, the plumber, the stonemason, the painter, the plasterer, the skilled men of the building trades especially, with their wages of three or four dollars a day, have been cited by anti-protectionist writers and speakers in exultant contrast with the operatives in textile mills earning from one to two dollars. The railroad engineer or conductor, the clerk in counting-room or bank, have also been heralded as proof of the fortunate condition of the men of the non-protected industries as compared with the wage earners of those industries shielded by the schedules of the tariff.

This specious reasoning was conspicuous in the National campaign of 1892, when for the first time in more than thirty years the protective policy, well-named the “American system,” was overthrown by a popular vote giving its adversaries not only the Presidency but the control of both branches of Congress. Doubtless no single factor contributed more decisively to that result than the belief which iteration and reiteration had finally — but only for a time — established, that the interests of the majority of the people, as consumers, were antagonistic to the interests of the employees of the so-called protected industries — the direct beneficiaries, as they were described, of “tariff spoliation.”

This delusion was the costly fruit of a superficial, not to say essentially dishonest, argument. Yet, short-lived as this delusion proved, there are now signs of a determined effort to revive it.

WHAT ARE PROTECTED AND UNPROTECTED INDUSTRIES?

Once more, emphasis is being adroitly laid on the antagonistic interests of the so-called unprotected, and the protected, industries. The carpenter, the plumber, the mason, the painter, the bank clerk, the salesman, the bookkeeper, the railroad trainman, are being urged to believe that, though themselves unprotected, they are burdened with the weight of tariff protection to the workers in the iron and steel mills, the textile mills, and like establishments. This is, in effect, a shrewd appeal to both personal selfishness and class selfishness, but it appears to be justified in the eyes of those who employ it by the fact that it succeeded once, and the hope that it may succeed again through dint of unchallenged iteration and reiteration.

Yet, of all economic sophistries this is the most hollow and grotesque, when exposed to sober and exact analysis. Every one of these so-called unprotected industries is as a matter of fact an absolutely protected industry — protected not, indeed, by tariffs but by the sheer conditions of its existence against competition from abroad. Take the carpenter, the mason, the plumber, the painter. They are absolutely protected, geographically protected, by the fact that their craft of building has to be exercised in this country, and that the finished product of their skill and energy, be it wooden cottage or lordly hotel or lofty warehouse, cannot be imported from abroad, while our contract labor and immigration laws and the rigid precautions of their trades unions guard them against an excessive influx of cheap wage workers from Europe or Asia to compete with them man against man. There is no tariff protection for the building trades because the building trades do not require it. They are far more completely and effectively protected by nature

than they could possibly be by Federal statutes — absolutely protected by the fact that a finished structure with its foundations, its pipe and wire connections, its walls, floors, doors, windows, roof, cornices, and chimneys cannot be brought across thousands of miles of tossing ocean in the hold or on the decks of a ship, and laid down here to challenge their wage scale and force down the earnings of their industry. The workers in these miscalled “unprotected” but actually and absolutely protected callings are themselves as secure against foreign competition as are the dwellers in the Mississippi Valley against the fire of hostile armoureds from either the Atlantic or Pacific Ocean.

THE NEWSPAPER AN ABSOLUTELY PROTECTED INDUSTRY.

The building trades are only one example of the geographically protected and, therefore, the absolutely protected, industries of America. The newspapers are another conspicuous case — the newspapers, so many of which fill their editorial columns week after week with sneers at those industries that are “sustained” by the “favor” of the Government. A daily newspaper is like a house — it cannot be imported complete. It must be manufactured — that is, edited, set up in type and printed — here in this country, or it would not be a newspaper. Editors, reporters, compositors, stereotypers, pressmen, are all workers in a geographically protected, an absolutely protected, industry, and of all American workers they have the least right and title to resist an effort to bestow by legislation upon fellow-workers a moderate degree of that protection which in full and absolute measure geography has imperatively reserved to them.

This same absolute protection shields the blacksmith at his wayside forge, the lawyer in his office, the clerk in the counting-room, the civil engineer, the mechanical engineer, the electrician, the physician. This absolute protection covers all of the host of men engaged in America in the vast, complex machinery of domestic distribution. Every one of the 582,150 employees on the 194,262 miles of railroad in the United States is as completely protected against the cheaply-

paid railroad men of Europe as if European railroads did not exist. He is protected by the hard, practical fact that every ton of freight or every passenger moving from Boston to St. Louis, or from Chicago to Oklahoma, must move over the line of an American railroad, and from the very nature of the service this service of transportation in distribution can be performed by no other workers than those living within the boundaries of the United States.

The same principle holds true as to transportation by water between one American port and another on river, lake, and ocean — save that here the very possibility of competition from foreign ships and foreign seamen has been vetoed by a navigation law almost as old as the republic. Of all Americans engaged in transportation the only men protected neither by geography nor by legislation are the owners and sailors of ships carrying over seas — and it is a profoundly significant fact that this solitary example of an American industry that is actually unprotected has been virtually destroyed.

BANKERS AN ABSOLUTELY PROTECTED CLASS.

Still another important American industry which, like the building trades, the newspapers, and domestic transportation, has thus far been protected in the very nature of things, is the banking business. The every-day transactions of the banks, the trust companies, etc., must be conducted in the cities and towns where their patrons dwell, and this is a service which, as a rule, cannot possibly be performed by the banking and trust institutions of Europe, operating on a lower wage scale and possessing advantages over the banking and trust institutions of the United States substantially equivalent to the advantages enjoyed by European manufacturers as against American manufacturers.

Within a few months it has been reported that the bankers of Berlin were offering to make a regular practice of handling the discounts of certain great American corporations of world-wide fame. If this proposition were to be accepted, and this business transferred from the banks of Boston, New York,

and Philadelphia—and doubtless because of the smaller salaries and expenses of Berlin the service could be performed more cheaply there than here—the bankers' calling in America would cease to be an absolutely, and become only a partially, protected industry. The income of our banks would be reduced through the consequent lessening of the volume of their transactions. Their profits would fall, they would have less use for their clerks and other employees and less money to pay them, and there would inevitably have to be a reduction of salaries all around or a reduction of the working force—in other words, the banks would be affected precisely as American factories are when a cutting down of the tariff enables foreign factories through a lower wage scale to divert the patronage of profitable customers.

MERCHANTS ARE ALSO ABSOLUTELY PROTECTED.

Far more numerous than the banking and trust companies of the country are the mercantile establishments, wholesale and retail, the stores and shops, great and small, through which the diversified products of our own industries and our imports from abroad are distributed to the millions of individual purchasers. The merchants who own and conduct these establishments and their bookkeepers, clerks, salespeople, and employees of every kind are also engaged in a geographically protected, and therefore an absolutely protected industry. Their business of distribution, of handling goods and finally disposing of them to customers, is another great activity which must in the very nature of things be conducted here, and cannot possibly be usurped by the more cheaply-paid distributing machinery of Europe.

Direct foreign competition is something from which the hundreds of thousands of these mercantile distributors of America are happily and completely free. The profits of the merchants, the wages, and the standards of living of their employees are not immediately affected by this competition in the slightest degree: they never need to take it into their calculations. These merchants and their employees are fortunate, indeed, in being thus absolutely

shielded by nature and by force of circumstance against the fierce pressure which forever besets the manufacturers and their employees in the partially protected industries of the United States. It is a strange, cynical selfishness which moves the successful banker or the wealthy merchant, secure behind his barriers of absolute protection, to begrudge the manufacturer even the partial protection of the tariff — a selfishness instinctively recalling the words of the parable — “For unto every one that hath shall be given, and he shall have abundance: but from him that hath not shall be taken away even that which he hath.”

PARTIALLY, OR LEGISLATIVELY, PROTECTED INDUSTRIES.

From this survey of the geographically, or absolutely, protected industries of the United States, which by a strange contradiction have been miscalled unprotected industries, let us turn to the other class — to the industries miscalled protected, but which are only partially protected, not by the imperative conditions of nature or geography, but by the imperfect expedient of legislation. These are the industries the service or product of which can be performed or created in Europe or in some other continent, and transferred to this country for consumption or use. A block of dwellings or a church or a schoolhouse or a department store cannot be bodily imported. It must be constructed — or manufactured — here, by American workmen on an American wage scale in an American environment. Hence this industry, as has been shown, is absolutely protected, as is also the other and still greater industry of domestic transportation and commercial distribution.

A complete factory cannot be bodily imported. The structure must be built in the United States. The very building of it here at the American wage rate is an expensive process, but a necessary preparation on the part of the manufacturer. The absolutely protected American carpenter, mason, painter, plumber, structural steel worker, all labor fewer hours than foreign workmen do, and receive wages double or triple those paid abroad to workmen of like trades

engaged in the construction of a similar foreign factory. As a result, by way of example, a new cotton mill in Massachusetts is found when completed to have cost \$22 per spindle capacity, as compared with \$8 per spindle for a cotton mill constructed at about the same time in Great Britain.

Yet this American cotton mill, a product, so far as its structure is concerned, of the absolutely protected building trades, must compete in actual service with the British mill constructed at far lower cost and operated at a far lower range of wages. Geography affords almost no protection to the American cotton manufacturer and his operatives, for the steamship has virtually bridged the Atlantic ocean so far as the transportation of a compact commodity of relatively high value like cotton fabrics is concerned. The actual freight charge on a case of cotton cloth costing \$145 is only \$5 from Liverpool to Boston.

FACTORS IN FINAL COST.

The product of this European cotton mill, so easily and cheaply brought here, lies side by side with the product of the American mill on the shelves or counters of American stores, and comes into immediate, direct competition with the output of American industry. Into the cost of production of the American goods have entered not only the higher wages of the American operatives who have produced them, but the higher fixed charges based upon the larger amount of capital required to construct the mill because of the higher wages of the workmen of the building trades, who are absolutely protected by geography, while the operatives themselves are only partially protected by tariff legislation.

Moreover, into the cost of the American fabrics before they are sold there enters the cost of distribution, often burdensome and excessive. The public, if it is displeased with the price of a given commodity and regards it as unreasonably high, is wont to complain of the manufacturer—and the public is habitually encouraged to do this by the partisans of free trade. Yet the manufacturer, after all, has

only imperfect control over the original cost of production, and no control at all over the cost of distribution, and is often forced by this cost of distribution to receive no more than thirty cents for an article that is sold finally at retail for fifty cents—or, in other words, the manufacturer is responsible for not more than three-fifths of the ultimate cost, including the cost of materials and labor charges in the manufacturing processes and, therefore, has good reason for belief that his services and the services of his employees are very much less adequately compensated than the service of the distributor.

THE TARIFF BUT PARTIAL PROTECTION.

A cotton mill has been taken as a specific illustration of the partially, or legislatively, protected industry, but a woolen or worsted mill would serve equally well, or a glass factory, or pottery works, or a silk mill, or paper mill, or cutlery establishment—any industry whose product can be displaced in the domestic market by the product of a like industry imported from some foreign nation. The absolutely protected industries, already described, of which the building trades are a good example, need no legislative protection in the form of a tariff, and are given none. But the National law-making power does endeavor to remedy the disadvantage at which the unprotected industries—the industries not protected by geography or nature—stand by requiring the producers of similar and competing foreign merchandise to pay in the form of customs duty for the privilege of entering the domestic market a sufficient tax to equalize conditions as between the high-wage American and the low-wage foreign producer, and to give the American approximately an even chance in competition. This is the general aim and effect of the protective system, but this aim in practice is only imperfectly attained—and this is what is meant by describing these legislatively protected industries as only partially protected.

For only seldom does the tariff give absolute protection up to the point of prohibition, of complete exclusion of the

competing foreign merchandise. It is true that a great deal is heard of the "Chinese wall," "prohibitory," "confiscatory" tariff from foreign manufacturers and their agents and others who hate and would destroy the entire protective system, but these words are merely figures of speech. Neither the present nor any other tariff we have ever had has been of a "prohibitory" character. The existing Dingley law is often — and inaccurately — described as "the highest tariff we have ever had" — as a second "tariff of abominations." As a matter of fact, so imperfect, so partial is the protection which this same Dingley tariff gives to many articles in many industries that our total imports, and our imports of dutiable, competing merchandise, have been very heavy in the recent years of prosperity and, indeed, have attained in 1906 and 1907 to record-breaking proportions.

NOT A "PROHIBITORY" BARRIER.

Here are the records of increased importations between 1900 and 1907 in several important partially protected industries :

	1900.	1907.
Glass and glassware.....	\$5,037,931	\$7,596,631
Cotton manufactures	41,296,239	73,704,636
China, decorated	7,176,659	11,885,680
Iron and steel	10,270,204	29,972,626
Leather manufactures.....	6,773,024	12,322,248
Metals and composition	4,791,493	10,325,446
Paper	3,795,645	10,727,885
Silk manufactures	30,894,373	38,653,251
Wool manufactures.....	16,164,446	22,321,460

Our total dutiable imports have increased from \$482,704,—318 in 1900 to \$790,391,664 in 1907. This, it should be remembered, is the foreign value of these articles. Add the total duties collected on them, or \$329,480,048 in 1907, and we have the huge aggregate of \$1,119,871,712 as the value in this market of the imported dutiable merchandise of 1907, exclusive of ocean freights and other costs of importation. Manifestly, the tariff under which this huge and swelling volume of competing foreign merchandise has come in is

not a "prohibitory" tariff — and the protection it gives is only partial and imperfect. Nor is it a "Chinese wall" which cheap-wage foreign merchandise so easily and increasingly overtops. It is thoroughly exact, therefore, to describe the tariff-protected industries of this country as partially protected, in contrast with the geographically, or absolutely, protected industries.

THE FATAL ERROR OF 1894.

No statistician can fix with precision the number, or proportion, of American producers, or workers, who are exposed to external competition, and are directly, though only partially, protected by our tariff laws. But it is certain that these partially protected workers comprise a very large division of our entire industrial army — so large a division that their prosperity and the continuance of their wages and employment are vital to the welfare of the whole United States. When President Cleveland through his celebrated tariff reform message, to quote Senator Vest, "challenged the protected industries of the country to a fight of extermination," the chiefs of the anti-protection propaganda affected to believe that these tariff-protected industries, with all their capital and workmen, were a negligible quantity in American production, and that they could be destroyed not only not to the disadvantage but to the positive advantage of American trade and industry in general.

This was a fatal miscalculation, as these anti-protection leaders realized when they saw their party organization in every Northern and Western State blasted as if by lightning in the Congressional election of 1894. That overwhelming defeat on the single issue of free trade was even more widespread and disastrous than the defeat which Mr. Bryan suffered on the issue of free silver coinage two years afterward.

For the foes of the protective policy had forgotten one of the greatest of all economic truths — the close interdependence of a nation's industries. No one industry can live by and for itself. If one interest prospers, its good fortune surely, though indirectly, quickens other interests. If one

is hurt, the others are injured. When that "fight of extermination" on "the protected industries of the country" won full sway, those partially protected, tariff protected industries which were the target of assault inevitably dragged the absolutely protected industries down into a common ruin.

ADVERSITY STRIKES ALL ALIKE.

Those bankers and merchants who had been demanding a reduction of the duties and had contributed to the victory of "tariff reform" in 1892, immediately found themselves the unfortunate victims of their own unconscionable selfishness and folly. The number of commercial failures in the United States rose to the unheard-of figure of 15,242 in 1893, and for this and the three succeeding years stood at by far the highest average ever known in American history. Nor were they only manufacturers who succumbed; banks and stores were overwhelmed in the common disaster. The liabilities of the commercial failures of 1893 amounted to \$346,779,839, or \$5.23 per capita of our entire population.

For several years many of the bankers and merchants of the country, believing themselves absolutely protected, and, therefore, immune from harm, had been urging a reduction of the tariff that partially protected manufacturing. These bankers and merchants had been able more and more to command the coöperation of the newspapers of the country in a general onslaught on the protective system. The great majority of all American men of business doubtless are and always have been firm adherents of the protective tariff principle. But it has so happened that very many if not most of those business men who, as large and constant advertisers, come into closest contact with the daily newspapers of the cities are to a considerable extent importers or sellers of foreign goods. These foreign goods as a rule bring higher prices than domestic goods of the same kind, and many merchants have imagined that if through lower customs duties the importation and sale of these foreign wares could be increased, there would be a corresponding gain in the profits of their business. This idea has been and is naturally impressed by these mer-

chants on the newspapers that are largely maintained by their disbursements in the form of advertising.

WHEN "CHEAP" GOODS WERE DEAR.

It is a matter of history now — the fearful disappointment and disaster that came upon those bankers and merchants and editors who thus helped to precipitate upon the country the Gorman-Wilson tariff of 1894. One such chastening experience as that should be enough to teach a broad and enduring wisdom. The absolutely protected industries whose representatives sought to deprive the partially protected industries of part or all of their tariff protection forgot their dependence upon these partially protected industries for the maintenance of their own prosperity. The manufacturers were patrons of the banks; and these manufacturers and their thousands of workpeople made up in our great industrial States the principal market of the merchants and storekeepers. When the mills and factories shut down throughout New England, New York, Pennsylvania, Ohio, and Illinois, of what avail was it that the storekeepers could, under the reduced tariff, buy more and cheaper foreign goods? Their market was gone; idle men and women could not buy: even the cheapest goods proved to be too dear for those who had no money in their pockets.

The United States Bureau of Labor publishes graphic comparative records of the average wages per hour in the chief productive industries year by year. This record covers not only partially protected industries like cotton manufacturing and other textile arts, steel making, glass making, etc., but also the absolutely protected trades of the carpenter, painter, plasterer, plumber, mason, compositor, etc. Now, of course, there was a severe shrinkage in the wage-record of cotton manufacturing and all other tariff-protected industries in those gloomy years from 1892 to 1896, when the foes of the protective policy were dominant in Washington. But the striking fact is that this shrinkage occurred at the same time in the wages of the absolutely protected industries —

in the wages of the workmen of the building trades, for instance, and the employees of newspapers.

All this was natural enough, and, indeed, inevitable. For with 33 per cent of the cotton mills of the country and 24 per cent of the machinery partly or wholly idle, as they were at one time in those black years, 43 per cent of the woolen mills and 42 per cent of the machinery and 53 per cent of the knitting mills and 47 per cent of the machinery — and the same prostration in other partially protected industries — where were the manufacturers who would dare to build new mills, or the workers who could build new dwellings, to employ the carpenter, painter, plumber, plasterer, and mason? Why, these idle workers could not even afford to buy newspapers, except to search them, all in vain, for opportunities for employment. The “fight of extermination” on “the protected industries of the country” had succeeded all too well. The interdependence of the National industries had had a tardy but painfully vivid demonstration.

CUT THE TARIFF, AND YOU CUT THE WAGES IN TARIFF-PROTECTED INDUSTRIES. THEN WAGES IN OTHER INDUSTRIES FALL AS SURELY AS EBB-TIDE IN BOSTON HARBOR FOLLOWS THE EBB IN MASSACHUSETTS BAY.

THE INTERDEPENDENCE OF INDUSTRIES.

When one industry is struck down, not only does the demand lessen or altogether cease on the part of the workers in that industry for the products or service of other industries, but the idle workers of the industry thus assailed crowd into other industries and depress wages there. A large textile mill is forced to close by tariff reduction. Its operatives must find immediate employment elsewhere, in order to live. They naturally grasp at anything available, invading the unskilled or perhaps some of them the skilled branches of an absolutely protected calling like the building trades, which are already suffering from a reduced demand for construction. When there is only one job, and there are two men looking for the job, a fall of wages is inevitable.

And the clerks from the office of the idle mill are forced

to seek employment in banks or wholesale or retail houses, and the necessities of these clerks render them willing and eager to offer their services for smaller pay than the present clerks are receiving. In the tariff reform campaigns of 1887-1893 in Massachusetts, the anti-protection orators and newspapers made an especial deliberate effort to win over the bank clerks and similar workers to their cause by insisting that the clerks could have no possible interest in the maintenance of the protective system, and that, on the other hand, they would be very greatly and directly benefited by the reduced cost of living that would certainly result from legislation in the direction of free trade. It scarcely need be said that all of those clerks and other salaried employees who yielded to that delusion very soon had an immediate and personal demonstration of the stern economic truth of the close interdependence of American industries.

ALL SHARERS IN THE BETTER TIMES.

Just as this interdependence was so forcibly exemplified in the general decline of employment and wages and the shrinkage of the purchasing power of all the people that attended the tariff reduction of 1894, so it was exemplified in the uplift of prosperity that followed on the reëstablishment of the protective policy. The records of the Bureau of Labor show that wages in American cotton mills have advanced 50.1 per cent since 1896, in this important partially protected industry, but they show also that wages in the absolutely protected building trades have advanced 44.7 per cent. Here is another signal proof of the interdependence of industries. An adequate tariff has restored prosperity to American manufacturing — and, therefore, there have again been new mills and new dwellings to build.

Increased employment has brought improved wages, and therefore increased purchasing power on the part of all of the people. Those merchants, those distributors in an absolutely protected industry, who shortsightedly helped to bring on the tariff reduction of 1894 have found the prosperity, of which they robbed themselves, returning with the reëstab-

lishment of tariff protection. The clerks and other employees in these mercantile houses have been benefited also, for the workers in the tariff-protected industries have gone back to their proper callings and the absolutely protected industries to which they had fled for refuge are no longer harassed by two men seeking for one man's work.

When tariff protection was overthrown in 1892, the memories of only the oldest voters reached back to 1857. But there are millions of voters still young who can recall 1894. In the light of that not remote experience, it is as rash as well as a wicked thing to begin again to endeavor to set class against class, and to proclaim the antagonistic interest of the so-called "consumers" and "producers" — of the "unprotected" and "protected" industries. For industrially as well as politically the American people are one in their interdependence; they are all consumers, and all, or nearly all, producers; and these producers all belong to either absolutely protected or partially protected industries. Every sinister attempt to distract or divide them into jealous and contending classes for supposed selfish or partisan advantage is as great a crime against our common country as a like attempt to distract and divide section against section. Such an expedient is in itself sufficient condemnation of the cause for which it is invoked.

WOOL MANUFACTURERS AND WOOL GROWERS
IN CONFERENCE.

AN important conference between committees of the National Wool Growers Association and the National Association of Wool Manufacturers was held at the Palmer House, Chicago, on October 15, 1908. There were present, on behalf of the latter association, President William Whitman, of Boston, Chairman ex-officio of the committee, and Messrs. Charles H. Harding, of Philadelphia; Thomas Oakes, of Bloomfield, N.J.; Francis T. Maxwell, of Rockville, Conn., Louis B. Goodall, of Sanford, Me., and Winthrop L. Marvin, Boston, acting as Secretary. On behalf of the National Wool Growers Association there were present President Fred W. Gooding, Shoshone, Idaho; George S. Walker, Secretary, Cheyenne, Wyo.; and Messrs. W. Scott Anderson, Boise City, Idaho; James E. Cosgriff, Rawlins, Wyo.; Thomas Austin, Salt Lake City, Utah; N. S. Neilsen, Mt. Pleasant, Utah, and Phillips I. Moule, Bereail, Montana.

The meeting was called to order by President Gooding of the National Wool Growers Association, and on his motion President Whitman of the National Association of Wool Manufacturers was chosen Chairman of the conference, with the Secretaries of the two associations as Secretaries. In his opening remarks Mr. Gooding said that he and the members of his committee were hardly prepared to talk extensively on the tariff question, but that they wished rather to be listeners. The opinion had been widespread among the wool growers of the Western country that the manufacturers were seeking to have the raw material placed upon the free list. He had argued against that impression and, after the wool growers' committee returned from a conference in Boston last spring, the information was disseminated among the wool growers as widely as possible that the manufacturers as a body do not favor free wool but wish to stand by the

wool growers and have the two interests work together along tariff lines. He would like to hear from the manufacturers a direct statement of their attitude on this question.

ADDRESS OF PRESIDENT WHITMAN.

In replying, President Whitman stated that as he had expected the President of the National Wool Growers Association to preside on this occasion, he had not prepared any formal address, and had come to the conference regarding it as somewhat of an informal character.

Much to his surprise he had received letters indicating that very many of the wool growers of the United States had been under the impression that the Eastern manufacturers would demand either a modification of the present duties on wool or their entire abolition. He had done all that he felt proper up to this time to disabuse their minds of that idea, and he was glad to know from Mr. Gooding that the result of the recent conference at Boston between some of the leading wool growers and some of the leading manufacturers had helped to remove that impression to a great extent.

He did not know of anything that could be said stronger than the resolution which was adopted at a convention of wool growers and wool manufacturers in Syracuse, N.Y., on December 13, 1865. On that occasion both the National Association of Wool Manufacturers and the National Wool Growers Association were represented by their representative men, and looking back on the work they accomplished we could not but appreciate the wonderful sagacity and remarkable ability displayed by those men at that trying period, and we could only hope that we, their successors, might act in the future with equal foresight and with equal wisdom. The resolutions of that Syracuse conference of 1865 were as follows :

“ Resolved, That of the great industries with which the people of the United States can occupy themselves to advantage, the woollen interest is especially commended for combining and developing in the highest degree the agricultural and mechanical resources of the nation.

“Resolved, That the mutuality of the interests of the wool producers and wool manufacturers of the United States is established by the closest of commercial bonds—that of demand and supply; it having been demonstrated that the American grower supplies more than 70 per cent of all the wool consumed by American mills, and, with equal encouragement, would soon supply all which is properly adapted to production here; and, further, it is confirmed by the experience of half a century, that the periods of prosperity and depression in the two branches of the woollen industry have been identical in time, and induced by the same general causes.

“Resolved, That as the two branches of agricultural and manufacturing industry represented by the woollen interest involve largely the labor of the country, whose productiveness is the basis of national prosperity, sound policy requires such legislative action as shall place them on an equal footing, and give them equal encouragement and protection in competing with the accumulated capital and low wages of other countries.

“Resolved, That the benefits of a truly national system, as applied to American industry, will be found in developing manufacturing and agricultural enterprise in all the States, thus furnishing markets at home for the products of both interests.”

Mr. Whitman went on to say that the policy outlined in those resolutions had continued up to the present time, and speaking on behalf of the manufacturers he wished to declare the hope that it would be continued in the future. Undoubtedly there are individual manufacturers who favor having the duty removed from wool or having it materially lessened, but he thought he could say that the body, as a whole, was in favor of a continuance of the present tariff on wool, subject only, in case of revision, to such changes as might be necessary to meet judicial decisions which have interpreted the law contrary to its original intent.

The manufacturers proposed to stand by the wool growers in maintaining the present tariff because they supposed that that was what the growers wanted, and the manufacturers—yes, more than hoped, they expected—that the wool growers would stand by the manufacturers on the goods end of the tariff—that, in other words, both interests should stand together just as they had done in the past. In this connection Mr. Whitman said that he desired to read a letter which he had written to Horkheimer Brothers, large

dealers in wool in West Virginia. He thought that the correspondence spoke for itself. The letter is as follows:

SEPTEMBER 21, 1908.

HORKHEIMER BROTHERS, *Wheeling, W. Va.* :

GENTLEMEN: My attention has been called to a letter of yours dated September 14th in which you say it is reported to you that ex-Attorney General Monnett of Ohio, in "speaking over the State makes it appear that the American Woolen Company fixes the price on the entire wool clip of the United States, and that every one is at the mercy of this Company."

You ask, "How many mills are there owned and operated outside of the American Woolen Company? What percentage of the woolen and worsted goods used in the United States is manufactured by the American Woolen Company? What per cent of the clip of America is consumed by the American Woolen Company?"

These questions I shall answer in the order in which they are stated.

1. The United States census for 1905 reports the number of woolen mills in the country, exclusive of the knit goods mills, at 1213, of which number the American Woolen Company owns thirty (30), or only about $2\frac{1}{2}$ per cent, in number, of the whole.

2. While the census of 1905 places the value of the products of the wool manufacture for the year 1904 at \$380,934,003, exclusive of the value of knit goods, no data are given to show the value of the product of any single mill, or the value of the American Woolen Company's product or its percentage of the total product of the country.

3. Nor are official figures obtainable that show what percentage of the domestic clip is consumed by the company, but a close approximation can be reached by an examination of the machinery capacity of the mills of the country as given by the census and the machinery capacity of the mills belonging to the American Woolen Company, as given in the latest textile directories — together with the consumption of wool, foreign and domestic, as given by the census, which, for obvious reasons, does not make a detailed report of any individual establishment or of any company.

The census reports that in 1904, 330,963,563 pounds of domestic wool and 152,562,532 pounds of foreign wool were consumed in the wool manufacture — but to this total must be added 16,170,183 pounds of domestic wool and 1,130,433 pounds of foreign wool used in the hosiery and knit goods manufacture, these additions increasing the former total to 347,133,746 pounds of domestic wool and 153,692,965 pounds of foreign wool, the grand total of both foreign and domestic wool reaching the impressive figure of 500,826,711 pounds.

The American Woolen Company uses large quantities of foreign as well as domestic wool.

The standard measure for consumption of wool in the woolen goods manufacture is the set of cards, while in the worsted branch the wool comb is the standard.

The census of 1905 reported 5968 sets of woolen cards and 1549 combs,

the comb for purposes of comparison being estimated as equal in consuming capacity to $2\frac{1}{2}$ sets of cards.

To the above figures must be added 927 sets of woolen cards engaged in the manufacture of hosiery and knit goods, the total sets of woolen cards in this country being 6895, and the machinery capacity, counting each of the 1549 combs as equal to $2\frac{1}{2}$ sets of cards, equalling 10,768 sets.

According to the latest textile directories the mills of the American Woolen Company contain 499 sets of cards and 307 combs, a machinery capacity equal to 1267 sets of woolen cards or 11.8 per cent of the country's machinery capacity. It is, therefore, fair to estimate the Company's consumption of domestic wool at not exceeding 20 per cent of the total amount grown in the United States. That being true, it is difficult to understand how "the Company fixes the price of the entire clip of the United States," and "that every one is at the mercy of this Company." The price of wool is fixed in the world's markets, and it is not possible for the American Woolen Company to determine what shall and what shall not be paid in the United States for that much sought-for commodity, because the needs of the many establishments engaged in the wool manufacture, whose combined capacity is so much greater than that of the American Woolen Company, are too constant and too great to compel the acceptance by the wool growers of the country of a price arbitrarily fixed, as alleged by Mr. Monnett.

The statements of Mr. Monnett are figments of his vivid imagination and have no basis whatever on which to rest, as I have shown. There has never been an attempt made by this Company or by any other combination to fix a price for the wool clip of the country. The officials of the Company are constantly in touch with the wool markets where they buy liberally at prevailing prices, and their extensive purchases sustain rather than depress values. More than current prices Mr. Monnett could scarcely expect them to give.

The purpose of Mr. Monnett's erroneous statements seems to me to be twofold: 1st, to create antagonism to the Company, and 2d, to secure among the wool growers of Ohio support for his candidate for the Presidency, Mr. Bryan. In view of that fact, I shall call your attention to Mr. Bryan's action toward the wool growers of the country when, as a Representative in Congress in 1894, he had it in his power to help or hinder their interests. In that year when the Wilson bill was being framed, Mr. Bryan joined with his Democratic colleagues of the Committee on Ways and Means in favoring free wool, the purpose of the committee, as expressed in their report, *being to enable manufacturers to obtain foreign wools cheaper*. After this bill became a law, the first to suffer was the American wool grower to whom the inrush of foreign wools, produced at a cost with which he could not compete, proved disastrous. The promise then made, of enhanced prices for wool and the promised greater activity of the mills because of predicted exports of finished products, proved false and disappointing. After so grievous a disappointment as that experienced from 1894 to 1897, I cannot believe that the intelligent wool growers and other citizens of Ohio will be led astray by the unfounded statements made by Mr. Monnett.

Yours very truly,

(Signed) WILLIAM WHITMAN, *President*.

Mr. Whitman proceeded to read a statement made by a former officer of the National Wool Growers Association, Mr. A. M. Garland, on September 10, 1884, before the Illinois Wool Growers Association, as follows :

I have neither sympathy with the sentiment, nor patience with the men seeking to divest the wool manufacturers of adequate protection for every branch of their industry ; and the few wool growers who, through ignorance or prejudice, have permitted themselves to be forced into an attitude of antagonism to the manufacturers, from whom they have had and are still to get all the money that comes from the sale of wool, are liable to inflict more damage upon their own industry than the advocates of free wool could ever bring about. Wool growers should be as jealous of the importation of woolen goods as they are of raw wools. They must not forget that not a yard of cloth or a pound of yarn can come from a foreign port without bringing the foreign wool from which they are fabricated, and to that extent displacing from consumption an equivalent quantity of domestic wool.

Speaking for the manufacturers Mr. Whitman said that they intended to oppose the ratification of the so-called German Agreement, which, in their judgment and in the judgment of all kindred bodies of manufacturers, was one of the most dangerous agreements ever made in the history of the country. They also intended to oppose any change in the administrative customs law which would give to foreign manufacturers such advantages, by means of undervaluation, as would drive the manufacture of goods from our own country to foreign countries.

Since the passage of the Dingley law, the imports of wool goods had steadily increased. In 1898 the quantity imported amounted to 13,500,241 pounds, of a value of \$10,650,324. In 1907 these importations had increased to 22,357,206 pounds, a gain of about 70 per cent, and the value had increased from \$10,650,324 to \$19,992,026, a gain of nearly 90 per cent in value. These were foreign values, which after payment of the duty and expenses of importation, were equivalent to at least double that amount ; that is, the importations of woolen goods during the year 1907 approximated in value

to probably one-third of the entire value of the wool clip of this country. These foreign manufactured products thus imported represented 88,000,000 pounds of wool in the grease — in other words, it would take 88,000,000 pounds of wool to produce these foreign goods brought into this country in 1907.

Referring to the statement made in 1865, notwithstanding the great increase that has been made in the woollen manufacture, notwithstanding all the changes that have occurred in the industries, the American wool product has kept about the same relative place and holds about the same proportion in the wool consumption of America.

Mr. Whitman declared that the National Association of Wool Manufacturers had nothing in its mind inimical to the growers of wool. It had never contemplated any movement that would be at all unfavorable to the producers of wool. He himself embodied this sentiment not only with relation to wool but with relation to all the other products of the country — he believed as firmly as he could believe anything that the prosperity of this country was dependent upon its producers, and he should do everything in his power to oppose any change of tariff likely to injure the producing interests of the country, for it was upon the products of the soil and of the loom that our prosperity depended. And the products of our country were the only things that did not receive absolute protection. The men who, in commercial life, in professional life, were hostile to us were — to use Mr. Harding's phrase — geographically so situated as to receive absolute protection. Whether it were the men who laid bricks or the bank clerks, you would find that the vast majority of the people who complain of the protective tariff were the men who did not themselves produce — that the great majority of the men who clamor for tariff reduction were the very men who were absolutely protected.

ADDRESS OF PRESIDENT GOODING.

President Gooding of the National Wool Growers Association, following President Whitman, said that the wool growers of the United States realized that they were face to face with a revision of the tariff at a special session of the next Congress, and that they would have to take action to prevent the destruction of their business, which was destroyed under the Gorman-Wilson law. While they had believed that should the Republican party succeed, their interests would be well guarded, the wool growers were not, as a rule, thoroughly familiar with the tariff question, and a meeting of this kind was certainly sowing the seeds of instruction and enlightenment. A majority of the wool growing interests were now in the West—in other words, the West was producing more than 50 per cent of all the wools of the United States. The National Wool Growers Association represents these large interests and also the Eastern growers.

The conference was useful, not only along the lines of tariff, but along the line of getting the wools together for the purpose of disposing of them to better advantage, and the learning how best to put up wools.

The meeting of last spring in Boston threw new light on the matter so far as the tariff was concerned. These meetings were valuable to the growers and the manufacturers alike, and the more they understood the conditions the more intelligently they would be able to act.

Mr. Cosgriff, of Wyoming, said he had no idea that such an immense amount as 88,000,000 pounds of foreign wool came into this country in manufactured imports. It was not generally known in the West that the Eastern manufacturers were willing to have the present tariff stand as it was on the raw material, and it was a good thing to be able to go home and say that they had met the representatives of Eastern manufacturers and were able personally to give that assurance. If both interests were united so that the Western politicians would not be able to work the one against the other, it would put the entire industry in a very much stronger position.

In 1894, when the tariff was removed from wool, the Western sheep growers were absolutely helpless. The Western States were in the hands of Democrats. Since that time they had learned wisdom, pretty nearly all were Republicans, and they took an active part in politics.

Secretary Walker, of the National Wool Growers Association, said that as both parties were now pledged to tariff revision, the wool growers of the country were very much interested in the outcome at Washington. They felt that the present duties did not afford any too much protection, and that to lower the schedules would be disastrous from the viewpoint of the producers, who were preparing to resist any reduction with all the power at their command. They were well organized and, believing that they were right, felt that they could go ahead consistently and hoped to obtain the aid of the manufacturers. Remarks along the same line were made by Messrs. Anderson, Austin, Moule, and Neilsen.

ADDRESS OF MR. HARDING.

Mr. Harding, of Philadelphia, referred to the statement of the resolution of 1865 that American wool growers were then growing about 70 per cent of the wool, outside of carpet wool, used in manufacturing in the United States. Mr. Whitman had made the statement, which he thought was fairly exact, that with the increase of wool growing and the increase of woolen machinery in the United States the relation between the two was still about the same — the American growers still producing about 70 per cent of the wool manufactured in the United States. They had never exported any wool but once. He happened to be perfectly familiar with all the details of that transaction. The gentleman who sent his wool to London had called to see him before he went abroad, and the London catalogue showed what his wool brought. It was sent from the far West to London, and it was sold at seven cents a pound — that was the most that could be got for any of it, and after the ex-

penses to London and the selling expenses had been paid one could imagine where the seller came out.

The export of woolen goods at that same period was confined to two cases of goods sent from New York. The prophecy that Mr. Bryan made as to the export of woolen goods and the export of wool had turned out in this way. What became of those two cases of woolen goods was never known exactly, but he thought that they were sold at Bradford for the account of whom it might concern.

It might look on the surface that manufacturers would be comforted if they could get their wool at five cents a pound instead of eleven cents. That would simply be on a par with the statement that they would be glad if somebody should give them their wool for nothing. He had no desire, nor had any man he knew who was concerned in the importation of foreign wools any desire whatever to see the present tariff on wool reduced. As to free wool, under the Wilson bill they had had all the free wool that they ever wanted; they did not want any more of it.

THE TARIFF RESOLUTIONS ADOPTED.

On motion of Mr. Maxwell a committee, of which President Gooding was Chairman, was appointed to prepare resolutions setting forth the judgment of the conference as to the coming revision of the tariff. The committee submitted the following report, which was unanimously adopted :

Resolved, That in view of the approaching revision of the tariff by Congress, it is the sense of this meeting that we reaffirm the declaration adopted by the convention of wool growers and wool manufacturers in Syracuse, N.Y., December 13, 1865, as follows :

“ *Resolved*, That the mutuality of the interests of the wool producers and wool manufacturers of the United States is established by the closest of commercial bonds— that of demand and supply ; it having been demonstrated that the American grower supplies more than 70 per cent of all the wool consumed by American mills, and, with equal encouragement, would soon supply all which is properly adapted to production here ; and further, it is confirmed by the experience of half a century, that the periods of prosperity and depression in the two

branches of the woolen industry have been identical in time, and induced by the same general causes.

Resolved, That as the two branches of agricultural and manufacturing industry represented by the woolen interest involve largely the labor of the country, whose productiveness is the basis of national prosperity, sound policy requires such legislative action as shall place them on an equal footing, and give them equal encouragement and protection in competing with the accumulated capital and low wages of other countries.

Resolved, That the benefits of a truly national system, as applied to American industry, will be found in developing manufacturing and agricultural enterprise in all the States, thus furnishing markets at home for the products of both interests," and

Resolved, further, that it is the sense of this meeting that in the coming revision of the tariff the present duties both on wool and woolen goods be maintained without reduction, and

Resolved, That we deplore the so-called German tariff agreement, and demand its abrogation at the earliest possible date, and that we are irrevocably opposed to any change in the administrative customs law that would encourage the undervaluation of imported merchandise.

After some further time spent in interesting informal discussion the conference adjourned.

Editorial and Industrial Miscellany.

FRENCH WOOLEN TRADE.

CONCENTRATION OF MANUFACTURING OPERATIONS AND DIFFICULTIES IN MARKETING THE PRODUCTS.

SPECIAL Agent W. A. Graham Clark, writing from Roubaix, depicts the present status and vicissitudes of the woolen manufacturing industry in France, the obstacles which hamper its growth, and the competition which it meets on the part of energetic spinners and weavers of other countries. His report reads:

France is one of the great wool manufacturing countries and is the recognized leader in the manufacture of artistic goods, such as women's dress materials. While, however, the great English wool manufacturing industry is steadily increasing, the United States and Germany rapidly forging ahead and Italy beginning to struggle for a place among the leaders, France is lagging behind and the industry as a whole is stationary. This is due both to home and foreign causes. At home the French population is at a standstill, and besides they are of a saving turn of mind, so that the increasing wealth of the masses is not productive of any great increase in consumption. The fact that both coal and textile machinery are largely imported makes the first cost and also the operating cost of the mills higher than that of their neighbors, such as Belgium and Italy. Legal restrictions also are numerous and, in at least Belgium, Italy, and Germany, longer hours are permissible. Abroad many former customers are beginning to manufacture their own requirements.

POSITION OF THE INDUSTRY.

At the present time the French manufacturers of wool and worsted ship over half of their exports to England alone and of their main export in this line, clothing stuffs, over three-fourths go to that country. The French exporter therefore has all his eggs in one basket, and though the high artistic taste of the French designer enables him to maintain his foothold there in spite of the keen competition of Bradford the slightest fluctuation in that market affects the whole French trade.

What Bradford is in England, Philadelphia in the United

States, Verviers in Belgium, Brunn in Austria, Lodz in Russia, and Biella in Italy, such is Roubaix in France. Bradford, Verviers, and Roubaix, or rather Roubaix-Tourcoing, are more especially similar, as the industry in the other countries is more scattered and therefore the head center does not embrace such a large proportion of the total. Roubaix and its twin town Tourcoing are in the Department du Nord in northeast France near Belgium, and this department embraces over half of the spindles and looms and nearly all the combs working on wool in France. The industry belongs to the northeast section of the country — old French Flanders, Picardy, and Normandy — of which the modern departments are called Nord, Somme, Ardennes, Marne, Aisne, Oise, Seine Inferieure, and Eure. Next to Roubaix-Tourcoing the most important towns are Rheims, Fourmies, Cateau, and Elbœuf.

SOUTHERN BRANCHES OF THE INDUSTRY.

Vienne on the Rhone, in the Department of Isere, is the center of the manufacture of what is euphemistically called in France "Renaissance cloth," but which in the blunter English language is called shoddy, though also occasionally disguised as "merino," etc. The Department of the Tarn, a wool manufacturing center in southwestern France, owes its importance to its fellmongering industry. Sheepskins or "fells" are imported from abroad, mainly from the Plata, and are here relieved of their wool by careful soaking and heating without the use of chemicals. Part of these skin wools are used in France and part shipped to England and other countries.

The hand-loom industry centers around Cambrai and St. Quentin and, though declining of recent years, it is still a good-sized industry, and some of the most artistic French work is made on these looms. Formerly Amiens was the center of this industry and the Picardy hand weavers had an inherited skill that enabled them to compete with power looms on all lines where skill and address were needed to meet the sudden demands of ephemeral vogues. Even in the machine industry, however, there are now periods toward the end of each season when the mill workers are idle, and though the hand-loom weavers eked out their living by farm work, these periods of idleness which are more severely felt by their branch of work than by the regular mills have, together with the demand for "tailor-made" clothes among women, driven them to gain their living in a steadier occupation, so that there is now little or no home weaving left in this section.

In the Cambrai section there are still villages of 300 to 400 home weavers. The business part is carried on through middlemen or "facteurs" who buy the yarn from exporters with whom they agree as to the kind of goods to be made and fix the price and then make their own terms with the home workers. In the

Cambrai-St. Quentin district one thing that has cut down the number of such home weavers of late is the fact that they lie in a section that is dominated by the progressive lace industry. The "entrepreneur de decoupage" or clipping contractor makes his house-to-house round through these villages, offering work at clipping the floats and cutting apart the lace strips, as made on the machines of Caudry and Cambrai, and though the remuneration is small the work is easier and less absorbing than that of hand weaving, besides being much steadier, so that in many cases the shuttle is being laid aside for the scissors.

LABOR AND MACHINERY COSTS.

There are no accurate figures as to the machines and operatives employed in the French wool-working industries. A parliamentary committee inquiring into the trade in 1904 estimated that there were 1600 combs, 2,000,000 worsted spindles, 390,000 woolen spindles, and 35,000 looms. The French census for 1901 shows 161,355 active workers in the "Industrie Lainiere." In the latter case at least the figures are too small, as several subordinate branches of the industry are included under "textile industries not specified." It is clear, however, that the worsted branch of the business is much larger than the woolen, and also that the combing branch of the industry is proportionately larger than in the case of most other wool manufacturing countries. The combing mills not only supply their own spinners, but the export of tops (the roving produced by combs) is a large industry in itself. There is an active future market for tops at Roubaix-Tourcoing, and though efforts have been made to abolish this feature (a similar future market for tops at Leipzig was abolished by the German Government at the request of the trade) it has as yet only resulted in stricter legal supervision.

CONCENTRATED ON THE BELGIAN BORDER.

The French wool-working industry being concentrated in the section around Roubaix-Tourcoing, is just on the edge of the Belgian border. It is very close to Tournai, Mouscron, and other Belgian towns interested in wool working, and there seems a strong tendency for part of the industry to gradually move across the border, the operating costs of the Belgian mills in most cases being lower. Land, coal, machinery, and building materials are all cheaper in Belgium, and as living is also cheaper the wages are lower. Taxes are lower in Belgium, and legal restrictions are fewer. Wages in Roubaix-Tourcoing itself would be much higher were it not for the large number of Belgians working in the mills there who have their homes just over the border in Belgium.

Part of the machinery used in the French wool-working industries is made in France, at Roubaix, Lille, Belfort, etc.,

though the bulk is imported. The old center of the French manufacture of textile machinery was at Mulhausen in Alsace and since its loss no new center has taken its place. The English supply largely the spinning machinery and looms and Mulhausen the mules and combs; Switzerland ships looms, and there is also some machinery from Belgium and other countries. The French manufacturers claim that having thus to import machinery and pay the tariff, freight, etc., their cost per machine laid down is in most cases at least 20 per cent higher than that of the English factories.

COMPARATIVE OPERATING EXPENSES.

The Roubaix manufacturers have yearly to face keener competition from the comparatively young wool-working industries of Germany and Italy. They say that though Germany still buys large quantities of tops, their takings are decreasing, and at the same time they are beginning to reach out for the French markets for tops in Poland, Moravia, and other places. They also say that Italy's competition is increasing fast, especially in the Levant, where the cheap Italian cloths and stuffs, well made and skilfully dyed, are displacing similar French goods, which is due to the fact that the Italian workman is similar in his artistic instincts to the Frenchman, and can live cheaper and work cheaper. On this latter point it is apparent that they are correct. At Biella, in Italy, the writer went through a large woolen mill, and was informed by the management that the ordinary workers averaged only $1\frac{1}{2}$ lire (approximately 30 cents) a day; while on looms 1.65 meters wide, running 75 picks on Jacquard work and 90 picks per minute on plain work, the weavers, running one loom each, were paid 12 to 14 centesimi (100 centesimi = 19.3 cents) per 1000 picks, and that on looms 1 meter wide, making 120 picks per minute, the weavers running two, and occasionally three, looms were only paid 2 to 3 centesimi per 1000 picks. The Italian wages are so much lower proportionally than the French that in the last two or three years some French manufacturers have begun to organize branch mills in Italy for the spinning of the fine wool articles, which, as heretofore, has been a branch of the trade little developed there.

In the beginning of 1904 the French wool-working industry was in bad shape. It partly recovered in 1904, had a prosperous year in 1905, and in 1906 had one of the most prosperous seasons of its history. This continued until about the middle of 1907; since then it has been much depressed. The spinning and weaving mills in France do not ordinarily run at night, while the combing mills do. The combing mills, however, are the most subject to fluctuations, and frequently the end of the season sees the stoppage of all night work, and in recent years the condition has tended to become chronic to shut down much of the dull season from the latter part of August to the latter part

of November. The weaving mills have to change often to catch the popular fancy in stuffs and draperies, for as they do not work on fixed standard articles as much as is done in the cotton trade, they therefore are not able to sell so far ahead, and might almost be described as working only from day to day.

TRADE CONCENTRATION TENDENCIES.

In the following notes I will briefly show where the French manufacturer gets his raw material, what he sells, and to whom, the recent tendency of the import and export trade, and then give a few points from personal observation as to the French factory methods and wages and how they differ from the English and American systems.

Dunkirk is the port for Roubaix-Tourcoing, as is Antwerp for Verviers and the Rhine, and Hamburg for north Germany. These are the three wool ports of the Continent. The wool imported at Dunkirk is nearly all in the greasy state. The manufacturers prefer it in this style for, though the freight cost is doubled, the fibers are kept supple on their long journey and do not mat together, as would be the case with close-packed washed wool. Most of the wool, whether from Australia, La Plata, or elsewhere, is "cross-bred," that is, it is clipped from sheep that are a cross of the old Spanish merino breed with its short but fine fleece and the English Leicester or Lincoln, with its longer, coarser fleece. The Rheims mills which have devoted themselves more to the use of the fine merino wool are decreasing, because they have not so readily adapted themselves to the use of the cheaper and more popular cross-bred wool, as have the Roubaix mills. In olden times Sedan was the center of the woolen industry and Rheims of the worsted. The former has almost dropped out of the industry, and Rheims is steadily losing, as are nearly all other French wool-manufacturing towns, to still further concentrate the industry around Roubaix-Tourcoing.

SOURCES OF SUPPLY — GROWTH OF THE INDUSTRY — THE FOREIGN TRADE IN WOOL MANUFACTURES.

The figures for the wool in bulk imported into France in 1907, according to the French customs returns, are as follows:

Country.	Pounds.	Country.	Pounds.
Argentine Republic....	208,106,970	Turkey	9,822,126
Australia	164,656,211	Belgium	3,052,981
England	67,372,533	Other countries	67,550,616
Uruguay.....	37,645,422		
Algeria	29,810,643	Total	588,017,502

The wool shown as coming from England is mostly Australian, and that from Belgium is mostly from Argentina, so that very nearly the same amount is contributed by both Australia and Argentina. The manufacturers usually class their wool supply as Australian, La Plata (includes Argentina and Uruguay), common (from Turkey, Algeria, South Africa, etc.), skin wool, and wool from sheep imported for food (*laines des moutons importés*).

The foregoing figures are for greasy wool, and to show the amount of actual wool consumed by the French factories is difficult. Not only are the figures for the home clip general, but for the reason that the greasy wools imported will yield only from a third to a half of their weight in actual wool, that part of the wools exported is greasy and part washed, that some wool is imported and exported already carded, combed, or dyed, but not spun, and that there also has to be considered in studying the total available for mill use the import and export of pulled and unpulled waste, accurate figures are impossible to obtain from any Government records. A French authority, however, has recently worked up some figures, based on his experience, that are regarded by the trade as the most correct obtainable. He figures that the home clip in the greasy state will yield 39 per cent of wool in the washed¹ state, that Australian will produce 45 per cent, La Plata 44 per cent, the common wools 50 per cent, the skin wools 38 per cent, and wool from imported sheep 35 per cent; also that allowing for the proportion of washed¹ wool in the wools exported the total washed wool exported may be figured at 60 per cent of the recorded figures. Obtaining the net imports of pure wool on these suppositions, subtracting the net export of wools carded, combed, and dyed, and also taking into consideration the waste exported and imported and adding the French home clip, he has obtained the following figures as the amount of actual washed¹ wool available and ready for spinning by the French mills for the last ten yearly periods:

Year.	Pounds.	Year.	Pounds.
1898.....	150,295,000	1903.....	136,851,000
1899.....	133,764,000	1904.....	103,654,000
1900.....	113,100,000	1905.....	131,586,000
1901.....	157,278,000	1906*.....	151,818,000
1902.....	111,640,000	1907.....	155,946,000

¹ Where Mr. Clark uses the term "washed wool" he evidently means scoured wool. — ED.

NET FACTORY CONSUMPTION.

There are some 20,000,000 sheep in France producing about 43,000,000 kilos or 95,000,000 pounds greasy wool annually, and as these fleeces are figured to give a yield of 39 per cent washed wool, this amount produces some 37,000,000 pounds pure wool, which would be about 24 per cent of the total estimated. Part of this home clip is exported, so considering the proportion of the different wools the actual French factory consumption is estimated to be made up about as follows: Australian 30 per cent, La Plata 30 per cent, common (Turkish, Algerian, etc.) 10 per cent, skin wool $9\frac{1}{2}$ per cent, wool from imported sheep one-half of 1 per cent, and French home clip 20 per cent.

The French industry in 1907 as shown above used some 155,946,000 pounds pure wool, and there was exported 19,003,322 pounds of yarn more than was imported, so that the amount of wool actually turned into goods must have been about 137,000,000 pounds. The export of woolen and worsted goods that were listed as being of French origin was 57,399,213 pounds, which would show that of the total production of the French mills 40 per cent was exported and 60 per cent consumed at home. This seems a large proportionate export, but the French wool manufacturing industry, like the English, is largely organized on an export basis, and it is probable that in normal years the proportion exported will range between 30 and 40 per cent or more.

STATISTICS OF FOREIGN TRADE.

The French exports and imports of wool and its manufactures in the calendar year 1907 were as follows :

	Imported.		Exported.	
	Pounds.	Value.	Pounds.	Value.
Wool, in bulk	588,017,502	\$106,072,607	112,318,705	\$25,682,317
Wool, in bulk, dyed	28,052	12,159	65,018	80,108
Wool, combed or carded	2,465,174	145,522	47,689,711	21,759,592
Wool, combed or carded, dyed	73,173	37,249	564,444	311,309
Total wool	590,584,501	\$106,267,537	160,637,878	\$47,783,326
Yarn, single :				
Bleached or not, combed	560,918	\$94,184	13,116,224	7,078,854
Bleached or not, carded	983,425	473,622	738,342	261,901
Dyed or printed, combed	36,807	24,514	1,975,225	1,134,647
Dyed or printed, carded	251,697	135,486	121,000	47,671
Yarn, twisted for weaving :				
Bleached or not, combed	1,654,543	933,348	4,156,523	2,564,391
Bleached or not, carded	17,852	9,264	154,941	59,830
Dyed or printed, combed	325,310	184,894	2,278,054	1,403,496
Dyed or printed, carded	29,533	17,370	163,537	67,550
Yarn, twisted for tapestry :				
Bleached or not	2,424	1,158	14,767	8,685
Dyed	21,819	11,966	169,047	108,045
Total yarn	3,884,328	\$1,885,803	22,887,660	\$12,735,070
Clothing stuffs of pure wool :				
Merinos			2,413,380	\$1,357,948
Muslin	153,178	\$158,646	19,615	8,299
Other	1,762,980	1,031,971	30,079,531	21,422,614
Cashmere and other cloths	9,345,180	5,206,754	17,231,595	13,245,204
Knit goods	577,889	370,753	3,665,031	1,405,619
Blankets	127,171	6,755	2,823,103	1,180,195
Carpets, pure and mixed	1,127,400	541,172	1,890,000	667,008
Pure wool furnitures	341,840	1,158	944,634	597,528
Trimmiings and ribbons, pure	19,836	13,124	343,163	469,884
Trimmiings and ribbons, mixed	11,681	14,475	316,935	418,424
Tapestry	4,408	23,160	43,198	272,130
List shoes	123,424	54,040	539,319	200,913
Shawls	441	193	53,998	79,709
Furniture velvets	16,530	6,562	36,145	21,809
List cloth	17,411	1,351	126,289	9,457
Laces and guipures	5,069	6,755	2,645	4,246
Fezzes and red caps	1,970	579	18,335	3,667
Moire	604,557	348,365	36,807	193
Lastings	4,628	5,211		
Embroidery, hand and machine	881	5,211		
Mixed stuffs	1,350,391	590,966	4,512,249	4,529,710
Total stuffs, etc.	15,596,865	\$8,387,201	64,695,972	\$45,885,557
Total manufactures of wool		\$10,273,004		\$58,620,627

The import and export of other woolen articles were as follows :

	Imported.		Exported.	
	Pounds.	Value.	Pounds.	Value.
Wool waste	28,710,847	\$7,449,800	43,204,130	\$7,916,281
Felt hats of wool	<i>Number.</i> 451,400	51,531	<i>Number.</i> 760,600	158,453

The exports of manufactures of wool are seen to be (1) clothing stuffs (worsted); (2) cashmere and other cloths; (3) yarn (mainly combed); (4) knit goods; (5) blankets; (6) carpets; (7) pure wool stuffs for furnitures, and (8) trimmings and ribbons, besides a large amount of mixed stuffs.

COUNTRIES PURCHASING FRENCH WOOLENS.

Of the pure wool stuffs for clothing, Great Britain takes three-fourths (24,575,702 pounds in 1907 out of 32,512,526 pounds) and the remainder goes mostly to Belgium, Japan, and United States. Of the cashmere and other cloths exported, Great Britain and the United States each take a sixth (2,971,433 and 2,387,593 pounds, respectively, out of a total of 17,331,595 pounds) and the remainder goes to Italy, Belgium, Spain, Switzerland, Algeria, Chile, Argentina, Germany, Brazil, and Turkey. The great bulk of the yarn exported is the combed yarn and it is bought by Great Britain, Belgium, and Germany. One-half of the knit goods go to Great Britain and the remainder to Belgium, Switzerland, and Italy. The blankets go to Egypt, China, Belgium, and Algeria; the carpets to Great Britain, United States, and Belgium; the pure wool stuffs for furnitures to Great Britain and Italy, and the passementerie mainly to Great Britain, with some to Spain, United States, and Switzerland. Fezzes go to Senegal and West Africa; shawls to Colombia and Mexico, and mixed goods to Great Britain, Italy, and Belgium.

French possessions and colonies are a very important market for the French cotton manufacturer, as they take a fourth to a fifth of his total export, but they are of slight interest to the French wool manufacturer, as their takings in this line account for but 3 per cent of his total sales abroad.

In the export list the predominance of the takings by Great Britain is very noticeable. The French statistics of woolen and

worsted tissues exported in 1907 record the takings of the main countries as follows :

Country.	Value.	Country.	Value.
Great Britain.....	\$23,700,593	Argentine Republic...	\$852,674
Belgium.....	3,853,631	Brazil.....	554,875
United States.....	3,543,287	Spain.....	465,709
Algeria.....	1,158,772	Austria-Hungary.....	252,058
Germany.....	1,153,368	Russia.....	71,989
Turkey.....	1,098,556	Others.....	7,069,397
Italy.....	1,065,553		
Switzerland.....	1,045,095	Total.....	\$45,885,557

COMPARISON AS TO IMPORTS AND EXPORTS.

The export figures for the last ten years show increasing exports of yarn, but as the exports of stuffs, cloths, etc., also of tops, have been almost stationary, this may then be taken as a sign of the increasing manufacturing ability of their neighbors, especially Great Britain, Germany, and Italy, rather than of their own. The increasing export of yarns from France and the unprogressive state of the country's export of woollens and worsteds is shown by the following table, expressed in millions of dollars, for the last ten yearly periods :

	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.
Yarn.....	6.69	7.15	6.67	4.67	6.62	6.81	5.96	8.00	10.29	12.83
Tissues.....	43.91	50.95	43.85	41.22	42.51	42.14	40.86	37.33	43.22	45.89
Total.....	49.70	58.10	50.52	45.89	49.13	48.95	46.82	45.33	53.51	58.72

The importation into France of yarn and tissues of wool during the same periods, in millions of dollars, was as follows :

	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.
Yarn.....	1.93	1.91	1.51	1.33	1.71	1.83	1.55	1.71	2.20	1.88
Tissues.....	7.40	7.86	8.10	7.24	8.31	7.98	6.91	7.49	8.07	8.39
Total.....	9.33	9.77	9.61	8.57	10.02	9.81	8.46	9.20	10.27	10.27

The yarn imported was about three-fourths carded and consisted of coarse singles (10,000 to 15,000 meters per kilo) and fine-ply yarns (40,000 to 50,000 meters per kilo), the great bulk

being of the latter. The majority came from Belgium. Of the tissues imported the largest amount was men's worsteds and came from England. Switzerland seemed to be the only nation that could ship into France women's dress materials in competition with the standard home articles, though Germany competed on some of the cheaper grades. There was also a considerable import of carpets from Turkey. The import of tops was small and principally only those made of the brilliant or lustrous wools that are a monopoly of England.

The French export of goods include the finest made and also some of the shoddiest, though in both cases they are beautifully dyed and finished. The mixed goods are mostly of cotton and wool, with quite a little of fancy goods made with silk and wool, in many cases the stronger fibers being used for the purpose of wrapping around with the weaker grades of worsted threads on the twister.

The French manufacturers are at no loss for conditioning houses in which to store and test their yarns, tops, etc., for besides the large "Conditions publiques," at Tourcoing, Roubaix, and Mazamet, there are other conditioning houses for wools at Fourmies, Cateau, Amiens, Lyon, and Paris.

TECHNICAL PROCESSES FOLLOWED DIFFER WIDELY FROM THOSE IN OTHER EUROPEAN COUNTRIES AND UNITED STATES.

To show the difference between the French and the English or American processes in the manipulation of the wool in making worsted yarn it is necessary to roughly sketch the difference between the main kinds of yarn made of wool — the woolen yarn, the worsted yarn of short wools, and the worsted yarns of long wools.

Both woolen and worsted yarns are, of course, made of wool, the main difference being that the former is put through as few processes as possible — usually only carding and mule spinning — so that the yarn more resembles the original material, with short unparallelled fibers projecting in all directions; while the worsted yarns go through more processes and the long fibers only are retained and these are parallelled and smoothed out straight. The woolen cloth from the first has usually a fuzzy appearance and this is in many cases increased by napping, especially for blankets, so as to entirely hide the structure of the cloth. Worsteds are usually not napped at all or only slightly as it is important to show the design.

CARE OF THE WOOL.

For both classes the wool as it comes from the sheep is sorted and then washed to remove the natural grease, perspiration, and dirt which, together, make up one-half to two-thirds of its gross weight. It is usually shaken in a machine called a willey to

remove the loose dirt before undergoing this process. After washing there still remain burrs and other extraneous matters imbedded in the fibers. In olden times these were removed by hand or by a rough burring machine consisting of wire-covered beaters. Then a process of carbonization with acids was introduced by which the vegetable matters were burned out. If not very carefully done this deprives the wool of its "nature" and renders it brittle and hard to work up into manufactures where "live wool" is required. There have therefore been new inventions to do away with the sulphuric acid bath and to use only mechanical means again. One such method known as the "Youla nonchemical system" is increasing in use in France and is much favored by the manufacturers. After being washed, cleaned, and dried wholly or partially, the wool is oiled with olive oil or a cheaper substitute to make it supple and is then ready for manufacture.

For woollen yarn or for worsted yarn from short wool the first process is carding: for worsted yarn from long wool it is "preparing." The woollen and worsted cards are essential in their main work and consist of "sets" of cards (two or three cards arranged together tandem, the first being called the scribbler and the last the carder), each made up of wire-covered cylinders against the upper surfaces of which operate pairs of small "working" and "stripping" rollers instead of the top flats as used on cotton cards. The take-off arrangement of the woollen and worsted cards are different. In the first the material is stripped from the cylinder by two doffers carrying alternate rings of card clothing and smooth leather, the card clothing rings of one working in the line of the smooth leather rings of the other, so that the two doffers together strip the cylinder completely. These doffers in turn are stripped of their ribbons of wool which pass between broad leather belts which work from side to side with an action like that of the hands and roll each ribbon up into a sliver. These wind up side by side in cheeses on a beam, which then goes to the mule. In the worsted card the web comes off in one sheet and is condensed into a single sliver like that of a cotton card, but instead of winding into a can it is rolled up into flat-ended balls by an automatic balling attachment.

THE CARD NOT USED FOR WORSTED YARNS.

For worsted yarns to be made from long wool, where in some cases the fibers are twelve inches or more in length, the card cannot be used on account of the danger of breaking the fiber. The material is "prepared" instead by being passed through six sets of graduated "gill boxes" which are practically draw frames with combs or "fallers" working between the back and front rollers.

The worsted slivers as made by either process are then put through a "backwashing machine" to eliminate the oil and

remaining dirt. In this machine they are run through bowls of suds, between squeezing rollers and over drying cans. They are then oiled again and put through two more gill boxes. They then go to the combs, which are always steam heated; here the tops are separated from the noils and waste. Only the tops are used in worsted manufacture and the slivers of these, after the combing operation, are again backwashed, put through two gill boxes and rolled up into balls again. This completes the work of making "tops."

These tops are kept as balls for a while in a conditioning chamber so as to preserve the straightness that has been imparted to the fibers and also to bring them to the proper condition. Cotton yarns are supposed to contain $8\frac{1}{2}$ per cent moisture and silk yarns 11 per cent moisture, but worsted yarns to work well should contain between 15 and 16 per cent.

Before spinning the tops are put through drawing processes of gill boxes and roving boxes and wound on bobbins for use in the spinning room.

ESSENTIAL DIFFERENCE BETWEEN ENGLISH AND FRENCH SYSTEM.

The foregoing are the general processes used in making yarns from wool, and we will now notice how the French system differs from the English system. It may be noted that it is largely due to the difference in the mechanical systems employed that England excels in the production of worsteds for men's wear, such as tweeds, coatings, trouserings, etc., while France excels in the production of women's dress materials, especially of soft and nicely draping materials for skirts, etc., and of draperies in general.

The essential difference of the two systems is that the French, besides using the mule where the English use the ring frame in making worsted yarn, send the material to the mule with scarcely any twist in it at all, while the English send the material to the ring frame with some twist already inserted. In other words, the English worsted ring spindle uses roving and the French mule spindle uses sliver, according to the accepted definition of these terms.

In England the tops, after storing and conditioning, are put through gill boxes and then through roving boxes and wound on the bobbins of vertical spindles by means of flyers. The rotation of the flyer inserts sufficient twist to enable the roving to stand the strain on the ring spinning frame. In the French system the top slivers go through the gill boxes as above, but there are no roving boxes. For them there is substituted a machine, the "bobbinoir," in which the slivers in passing from the back set of rollers to the front are supported by a porcupine cylinder and are then wound onto horizontal bobbins. No twist at all is inserted, except that rubbing leathers like those of a woolen card are

employed to give firmness to the slivers to stand the slight strain put on them by the mule.

The worsted sliver in the French system therefore goes to the mule in the same form as the woolen sliver, though, of course, the fibers are longer and more cleaned and paralleled. The difference between the English and the French system is important, and as the French system puts so much less strain on the yarn they can spin relatively short fibers to much higher counts than possible in the other system. The yarns so made are softer and have a different feel from those made on the English plant and give entirely different qualities to the goods made therefrom.

COMBING VARIATIONS — MILL ORGANIZATIONS.

In England also, while the Heilmann comb is largely used for cotton, the Noble comb is ordinarily used for worsteds. In France all makes of combs are employed—the Lister or nip combs (for long wools only), the square motion Holden combs (mainly in factories of the Holden name), the Noble, the Offerman, etc., but the bulk are mainly of the Heilmann type, as this is especially suited for the French work and for short staples. Much of the French combing is also “dry;” that is to say, oil is not used at all to limber up the fibers, or else only in small quantities such as can be entirely washed out of the tops after combing and before the final gilling. The French also have special methods of dyeing and finishing, which are too technical to describe here.

Turning from the mechanical to the commercial side of the business there are still other differences in the French manufacture from the American, noticeably in that they are family businesses, that they individualize the separate processes, and in their system of commission work.

Nearly all the mills in the United States are incorporated companies; in England they are part stock and part private, while on the Continent and especially in France they are almost entirely “family businesses” and there are comparatively very few stock companies, in some cases the same family handing down the industry with an increasing, or possibly a decreasing, number of machines and of customers from father to son, to grandson, and to greatgrandson.

DIVISION OF MANUFACTURING OPERATIONS.

In the United States most mills carry on the complete operation of making yarn from wool or else finished goods from yarn, and many buy the wool and turn out the finished product ready for the customer, doing their own washing, dyeing, combing, spinning, weaving, and finishing. Such a thing is almost unheard of in the worsted business in France, and the few of the larger companies that really carry out most of the processes have a

separate mill and manager for each. The making of tops is a great branch of the industry in France, the mills in this line doing nothing else and not only supplying their home spinning mills, but exporting millions of dollars' worth to other countries.

In the United States it is probable that in Philadelphia, Lawrence or Providence there will not be found a single mill that confines itself exclusively to making tops, as American conditions are different. In France combing, spinning, and weaving are not only carried out in separate mills, in most cases by separate companies, but the finishing and the dyeing are also nearly always done outside, and there are also many establishments that confine themselves only to the washing of wools. The woolen branch of the business in France is not so universally specialized as the worsted branch, yet even here the dyeing and finishing are usually separated from the manufacturing processes proper.

In regard to commission manufacturing, this is rare around Rheims, is largely used around Roubaix, and is the customary practice in the Fournies-Cateau section. The men in this business who are called "manufacturers" do not usually own combs, spindles, or looms of any kind. They buy wool and sell tops, yarn, or goods, the work in each case being done by the specialized mills on commission. Of late their field of operation has been somewhat reduced by the fact that many combers have gone into the buying of their own raw materials and selling the tops therefrom, claiming that the competition in the combing line at home and abroad has become such that the commission price for combing in many cases affords them no profit and that they must make their profit on the difference in price of the wool and the tops in order to keep their factory going.

FACTORY EQUIPMENT — CONSERVATISM IN BUYING NEW MACHINES — METHODS OF SORTING.

I went through several of the Roubaix-Tourcoing mills. They do not average as large as the American, though the large ones are built in the best style of modern mill architecture, and are well operated. The older mills in some cases have less conveniently arranged quarters, and owing to the pronounced conservatism of the French manufacturers there is to be seen a good deal of old machinery, which is well kept up. At one mill I saw looms that had been running for forty years, and the manufacturer said as long as he was making a good profit on them he saw no reason to change. This conservatism and dislike of buying new machines as long as they can make a profit on the old is possibly one factor that has a bearing on the unprogressive state of the industry as compared with more modern competitors like the United States and Italy, where the manufacturers are always eager to see and hear of something new in

the machinery line and to throw away the old for the new if the change will be found to pay for itself.

One of the most up-to-date firms at Roubaix and also one of the largest is that of Alfred Motte & Co. I visited their combing mill and also their spinning mill, the two being located separately.

At the combing mill I was informed that there were operated 150 Offerman-Ziegler combs, 72 Lister combs, and 42 Noble combs, and that their yearly production of tops was some 12,000,000 kilos, which is about 26,000,000 pounds, almost equally divided between their three types of cards. Of this amount they say that usually 70 per cent is La Plata wools, 15 per cent Australian and New Zealand, 5 per cent French and Algerian, with the remainder from South Africa, Chile, Spain, etc. Some, 1,600,000 kilos, or 3,500,000 pounds, is washed for export, going to England, Germany, Russia, etc. This factory employs some 2000 operatives all told, and the motive power consists of two 800 horsepower engines. The mill is a large four-story building with heavy brick walls, iron posts, stone floors, and all modern appliances for making tops and for utilizing the by-products, such as grease, etc.

SORTING AND CLEANING THE WOOL.

The wool is received from Australia and other countries in bales and the first process is sorting. The sorters stand at small tables, which are on a stone floor and under a saw-tooth roof, so that the quarters are clean and well lighted. Each sorter had a bale opened beside his table, and each layer as it was laid on the table was rapidly inspected and the different grades thrown into bags marked 1, 2, 3, and 4. These men get 35 to 55 centimes (100 centimes or 1 franc = 19.3 cents) an hour, according to their ability, and sort 300 to 400 kilos (kilo = 2.2 pounds) a day.

After sorting, the different grades are stored in separate bins in another room, and from here each kind as desired is carted to the washing room to be degreased and cleaned. On natural wool there are three classes of materials — dirt, sand, and loose vegetable matters — dried perspiration or "suint;" and natural grease or yolk. They are removed separately. The dirt, etc., is first shaken out in a willey. The suint or perspiration consists chiefly of potash combined with organic matter which is easily soluble in water, so this is then washed out in a succession of boxes filled with water through which the wool is mechanically driven. This process is known as dessuintage. It is then scoured with alkali to remove the natural grease and then blown over by fan through tin pipes to the cards and preparing apparatus.

Before showing the manufacture of the wool itself I will note what becomes of the materials thus removed.

BY-PRODUCTS.

From the dirty liquid resulting from the "dessuintage" they first extract carbonate of potash by calcination, using what they call a "Porion" kettle. The liquid is first heated until it is of the consistency of syrup, when it is allowed to spread out; the water evaporates, the organic matters are consumed, and there remains in the kettle a bluish-gray mass which contains 70 to 75 per cent carbonate of potassium, 3 to 4 per cent of carbonate of soda, and some of the sulphates and chlorides. The potash is refined and put up in iron drums for shipment either to France or abroad, this firm making regular sales to a house at New York. The residue is made into low-grade chemical fertilizers.

The waters of the "lavage" or washing proper are run off into large vats, treated with sulphuric acid and automatically stirred for a couple of hours, when they are allowed to stand for six to eight hours. The wool grease contained it is impossible to saponify completely, but the result is a complete emulsion consisting of soapy particles and water and a portion also sinks to the bottom or collects on top. This latter is skimmed off, being called "lanoline," sometimes "suintine," and is used to make salves which are said to possess special curative powers. The emulsion after partial evaporation of the water is used over again in the mill to clean other wools and thus to cut down the amount of soap used, which is an important economy in a factory using as this one does 50,000 kilos of potash soap a week.

SHIPMENT OF COMBED WOOL — FACTORY WAGES.

To resume the treatment of the wool itself, the short-stapled wools are run through two-card sets and the long wools prepared by going through six gill boxes. The slivers are then backwashed, put through two gill boxes, combed, backwashed, put through two gill boxes, and rolled up into flattened balls weighing five to six kilos each, and for shipment twenty of these are put into a wooden box bound with iron straps. For tops of which the selling price requires to be lowered the cheaper La Plata wools are mixed with the finer Australian during the processes. The finished tops of La Plata wool sell for about 4.5 francs a kilo and the pure Australian much higher. The wool that is not combed in this factory, but only washed for export to Germany or elsewhere (part being sent to a combing mill owned by the same firm at Warsaw), is put up in 250-kilo bales wrapped in burlap and bound with six wire hoops.

In regard to wages paid at this factory there is no piecework, but everything is by the hour. As above noted, the sorters get 35 to 55 centimes an hour, the washers get 40 centimes an hour, the grease removers 27½ centimes an hour, the carders 33 to 42 centimes an hour (one man to seven cards), the wool carrier 33

centimes an hour, the giller 27½ centimes an hour, and the comber 34 centimes an hour. These were the prices as given me from the books. The mill also runs at night, and as there is no cessation of work when the shifts are relieved there is no stoppage of the machinery from Monday morning to Saturday night. However, processes on which women are employed can only be operated in the day time, as the law prohibits women or children working in mills at night.

MULE SPINNING.

From this combing mill I went to the yarn mill owned by the same company, situated in another part of the town. This is a plant of 32,000 spindles of which the majority are mule, while some are ring spindles. The tops come in five kilo balls or cheeses. They are put through three sets of gill boxes drawing six into one. They then go to the "bobbinoirs," of which there are four processes. The slivers are drawn two into one and, as previously described, in passing from the back to the front roller they are supported by a small porcupine cylinder, pass between rubbing leathers, and are wound up on horizontal bobbins to go to the mule. Each bobbinoir contains fifty horizontal bobbins. The hands operating the gill boxes, the bobbinoirs, and the few roving boxes used for making roving for the ring spindles are all paid 30 centimes an hour.

In the mule spinning room I found the majority running on yarn measuring 30,000 meters a kilo. From each 500-spindle mule there was required 90 kilos per day. The mules on this yarn were making six 1.5 meter stretches per minute. The operatives are paid a fixed price per day and get a premium for production over that required. For 2000 spindles there were employed one spinner, three piecers, and one boy. The spinner was paid 45 centimes an hour, each of the piecers 35 centimes an hour, and the boy 20 centimes an hour. With the addition of the premium the spinner's wages, when the work is running well, will reach 6 francs a day, each piecer about 4½ francs, and the boy about 2.75 francs.

RING SPINNING.

The ring frames have five top rollers, of which three are "carrying" rollers. Running on yarn measuring 30,000 meters a kilo the production required when running with good grade material was 70 kilos a day per side of 170 spindles, and I found the speed of the front roller to be 101 revolutions per minute. When lower grade qualities are used the required production figure is reduced, sometimes down to 40 kilos for the same number as above. One girl runs one side, does her own doffing, and is paid 22 francs a week with a premium on work over that

required, which occasionally gives her one or two francs per week more.

Some of the ring spinning frames in this factory, instead of having the usual band driving for spindles, were run by means of a line of bevel gears on each side, which geared with other bevels on the long spindles. This gives a positive drive without slip. The spinner said that it was not a new, but an older system, and that the newer frames all had the regular band driving from drum to spindle whirl, as it permitted of higher speed. All the spindles in this factory, both ring and twister, were fitted with knee brakes for stopping the spindle while piecing up.

Part of the yarn was sold in the single and part twisted. In the latter case the bobbins were put on a doubler where two ends were run together on cones without twisting and then each cone run off separately to a bobbin on a twister, thereby twisting together the two ends. There were employed 450 hands in this factory and part of the factory, employing 100 men, worked at night, the remainder of the work being mostly that of women and girls working daytime only.

WEAVING METHODS.

At a 500-loom woolen weave mill, I found that the yarn was bought on the cop, run on to cheeses and these placed in a warper creel, same as spools, warped, slashed, drawn in, and woven; the dyeing, napping, etc., being done by another firm. For drawing-in a man and boy working together on 5-harness work were paid 35 centimes per 1000 ends, and made together about 5 francs a day. Looms were mostly 140 centimeters wide and ran about 110 picks per minute average. The speed varied above or below this, according to the quality of wool being worked. On some of the "bon marché" or very cheap grades of goods being made the speed was 100 picks or less per minute. There was one weaver to each loom. On looms one meter wide the speed was given me as 150 picks per minute for good grade of wool and weavers ran two looms, in some cases only one. The wages received by the weavers was stated by the management to vary between 18 and 30 francs a week, according to their ability and the class of work they were on, the average skilled weaver making about 25 francs a week.

The productions of the Roubaix factories vary between articles made of pure merino wool elaborately worked and finished and articles made of cheap grade wools with a mixture of rag wool, wool extract, or cotton. Some factories require a much higher grade of skilled labor than others and have to pay accordingly.

SCALES OF WAGES.

To compare the wages obtained by wool workers in various countries, it will be readily understood, can only be done in a

general way. Even where averages can be ascertained approximately it has to be borne in mind that the amount and quality of the work required for the different classes of operatives will vary in the different countries; for instance, a girl ring spinner in some places will only spin, in other places she also has to do her own doffing, etc. Though exactly accurate comparisons cannot be made, yet by taking the average wages as computed by active manufacturers in the leading centers of the industry in the various countries, the general level of wages can be brought out clearly enough to be of value. In the following table, comparing Italy, France, and England, the figures for the first two countries were obtained personally at Biella and Roubaix, and Bradford wage tables and textile publications have been relied on for the last. The figures in lire, francs (lira or franc = 19.3 cents), and shillings (shilling = 24.3 cents) are as follows for the average weekly wages paid in worsted day work:

	Italy.	France.	England.
	<i>Lires.</i>	<i>Francs.</i>	<i>Shillings.</i>
Sorters.....	21 to 27	30 to 36	28 to 32
Washers or dyers.....	12 to 18	18 to 24	20 to 26
Carders.....	9 to 15	18 to 24	14 to 20
Gill boxes.....	9 to 15	16 to 22	11 to 14
Comb minders.....	9 to 15	16 to 22	11 to 14
Boss spinner.....	36	48	50
Mule spinner.....	27 to 33	27 to 36	24 to 36
Ring spinner.....	9 to 15	20 to 22	9 to 15
Weavers.....	12 to 18	18 to 30	12 to 20
Fullers and pressers.....	16 to 20	20 to 24	20 to 30

Reducing the foregoing to dollars and comparing with average American wages in the worsted industry the following table is obtained:

	Italy.	France.	England.	United States.
Sorters.....	\$4.60	\$6.40	\$7.30	\$12.50
Washers or dyers....	3.00	4.25	5.60	7.00
Carders.....	2.30	4.00	3.90	6.00
Gill boxes.....	2.30	3.70	3.00	6.00
Comb minders.....	2.30	3.70	3.00	6.00
Boss spinner.....	7.00	9.25	12.00	18.00
Mule spinner.....	5.80	6.20	7.30	9.50
Ring spinner.....	2.30	4.00	3.00	6.00
Weavers.....	3.00	4.60	4.00	9.00
Fullers and pressers..	3.50	4.25	6.00	7.00

The cost of living is cheapest to the operative in Italy, higher in England, still higher in France, and highest in the United States; the wages are lowest in Italy, higher in France and England, and highest in the United States; the productive efficiency of the operative is lowest in Italy, higher in France, still higher in England, and highest in the United States.

SOUTH AFRICAN WOOLS.

THEIR PRODUCTION, PREPARATION AND SALE.

THE following paper, read by Mr. A. E. Murrell, a Port Elizabeth wool buyer, at a meeting of a farmers' association, shows that strong efforts are being made in South Africa to advance the wool growing industry to the position it should occupy in the country. We reprint it from the *Agricultural Journal* of the Cape of Good Hope in the hope that many points made by the writer will be helpful to the wool growers of the United States who, at this time, are considering the holding of auction sales, which Mr. Murrell advocates as the proper method of disposing of the wools of his country. The paper was as follows:

It is hardly necessary to preface my remarks to-day by any lengthy statement with regard to the importance of the subject, as I am sure that all who take an interest in the permanent welfare of this country will agree that the solidity of its position depends chiefly on its pastoral industries. Of these, one of the most important is that of the production of wool. It is equally unnecessary to go into particulars with regard to the consumption of wool. Suffice it to say that it is an article of necessity for which there always is, and always must be, a world-wide demand. In this respect it differs from two other important items of our production—mohair and ostrich feathers, the former being more or less subject to the dictates of fashion, while the latter is an article of luxury.

Nor is it necessary to trouble you with the history of the Merino sheep; of the time when Spain held, and jealously guarded, a monopoly of the production of Merino wool; of the first importations into South Africa towards the end of the 18th century; of their non-success for a time, owing to the conditions which then existed in South Africa, and of the sale of a portion of the small flock to Captain MacArthur, of Sydney, New South Wales, which assisted in the creation of the huge numbers which now exist in that part of the world. These are matters of history, about which you can read at any time.

What you wish to hear about is, doubtless, the present-day

production of South African wool and the position which it occupies in relation to the markets of the world.

I will not take up your time with detailed statistics of the quantities produced during different years, but will simply refer, generally, to the fact that for several years past, until recently, there has been, owing to the war and drought, a gradual lessening in the production. The year of biggest exports was 1891, when the shipments amounted to 322,000 bales. In 1904 the total production only amounted to 201,000 bales, and in 1905 to 209,000 bales. I am not yet in possession of the exact quantities for 1906, but the figures, so far published, show that the total production is again increasing. When I tell you that we shipped 10,000 bales more in 1880 than we did twenty-five years later, in 1905, you will see to what an extent we have lost ground. The actual difference, as far as Merino wools are concerned, is even greater than that shown in these figures, as the shipments of the last few years include a much larger proportion of coarse and colored wool (the product of Persian and Bastard sheep) than was produced formerly. Our production of wool, as compared to the total quantity grown in the world, is almost 4 per cent of the whole, so that we cannot complain at present of any limit to the extension of our field for operation. But, although the field before us is large, we have not got it to ourselves. It is not even a question of maintaining a good reputation. That, unfortunately, we do not possess, but there is an old proverb that "It's never too late to mend," and we shall certainly require to mend our ways pretty considerably if we hope, in this age of strong — as I might call it aggressive — competition, to work ourselves into the front rank of wool producers. There have lately been distinct signs of a more general desire on the part of farmers in this country to improve their clips, and it is to endeavor to assist in this movement for the better that, by the invitation of your secretary, I am here to-day.

DEALERS AND PRODUCERS.

Now I know very well that many farmers have an idea, which has, unfortunately, been fostered by some persons (both on this side and across the water) for their own selfish ends, that the wool dealers in this country, sellers as well as buyers (especially the latter) are working for interests which are antagonistic to those of the farmers. Such opinions are absolutely groundless. That the buyer of wool should study his own interests is only natural. But the same position exists with the farmer, and I hope to be able to prove to you to-day that there is a common platform on which both may meet, where the interests of the one party may be closely identified with those of the other. In such a case there are, firstly, two positions to consider, viz., the producer and consumer. At this point it may be as well to impress upon farmers that, in order to obtain the best possible result, he

must produce what the consumer requires, and that the latter is not compelled to buy what the farmer offers him. The grower of wool in South Africa must always bear in mind that he is only one, amongst others, competing for the sale of his produce in the world's markets; that growers in other countries are competing against him, and that the consumer will first absorb what suits him best, after which he may be induced by lower prices to turn his attention to the inferior article. You know that such a position exists with regard to everything which you buy for your own consumption. You take what is relatively cheapest and best. Why should there be any difference in the case of wool?

Now, if it be conceded that the consumer of wool devotes all his energies to securing what is relatively cheapest and best, the next question is, what, under the circumstances, is

THE BEST CLASS OF WOOL TO GROW,

so that it may satisfy the requirements of the consumer and yet leave the best return to the producer. That is *the* problem, the satisfactory solution of which is absolutely vital to the interests of wool growers in South Africa. The problem itself is not difficult to solve. I, as a wool man, can only tell you the answer. The detailed working out must be done by yourselves. The answer to the question of the best class of wool to grow is a wool which will give the best cash result per sheep.

In this connection I must again emphasize the fact (I have done so for the last twenty years) that the consumer wants clean wool only. The waste matter is worth nothing to him, while it adds materially to the clean cost by the heavy charges in connection with the transport from South Africa to the Home markets. It is on the clean scoured basis that the consumer buys, and it is, therefore, on the clean scoured basis that the producer must sell. The weight per fleece is of no interest to the consumer. He buys the wool, at so much per pound, on the clean basis, and it is a matter of perfect indifference to him if the fleeces average three pounds or twelve pounds each. To the grower, however, the weight per fleece is of the utmost importance, and all his energies should be devoted to the furtherance of this object. Farmers are generally very much alive on this point. Where they are usually in error is in not studying more closely the relative positions of their wool in the *greasy* and in the *clean scoured* states, because it does not necessarily follow that the heavier the fleece, the greater the proportion of clean wool. On the contrary, the opposite is generally the case. Grow heavy fleeces by all means, but grow them on the basis of the *clean* weight.

Having decided that the principal object of the farmer must be to grow, on the clean basis, as big a weight of wool per fleece as possible, let us proceed to the consideration of the most suitable

ble class, a class which would satisfy the requirements of the consumer and yet fit in with the best interests of the producer.

In order to arrive at a satisfactory conclusion, we must ask ourselves :

WHAT IS THE MOST VALUABLE TYPE OF WOOL ?

The answer is: A wool which combines the qualities of fineness, length, strength, luster, density, elasticity and evenness. A clip which possesses all these points in the highest degree would represent the ideal from a buyer's point of view. Such an ideal, however, from the farmer's point of view, is very difficult of attainment, and why? Because the various points above mentioned cannot all be induced to harmonize the one with the other. For instance, much density and great length do not go together, while extra fineness is not in harmony with that big clean weight per fleece, which, as already pointed out, is absolutely necessary in the interests of the farmers. In both instances an advantage in connection with one point can only be gained by the sacrifice of another. Now the question is: What point shall the farmer sacrifice, so that, on the whole, he may gain? He must make no sacrifice in connection with his endeavor to secure the biggest possible yield per fleece on the clean basis. If, in order to obtain the latter, he is compelled to lose a point or two in fineness, he will find it to his advantage to do so. The same position exists with regard to length and density. In all of the instances above mentioned the farmer will find it to his advantage to work for a good average, rather than pursue to the extreme any special point in connection with the ideal. The difference in value between an extra fine wool and one of good average fineness is not sufficient to compensate for the additional clean scoured weight which the latter possesses as compared with the former, and the same comparison exists between wools of extra length and no density and wools of good density possessing average length. Changes in this direction have already taken place recently, even in Australia and Tasmania. The super-fine, genuinely silky wools of the old days are now seldom seen. They fetched extreme prices per pound, but the yield of wool per sheep was comparatively small, and this class has had to give way to a type of wool more robust and less valuable per pound, but with a much better return per sheep on account of the increased size and weight of fleece.

But, you will say, the farmers of this country are, and have been for some time past, doing their best to increase the weight of their fleeces. That is so, but, as the result here has been very different to what has taken place in Australia, it must be presumed that the methods in use in this country have been at fault. In Australia they have packed more actual wool on the sheep's body, and have maintained the clean scoured yield, generally, at a high level. In this country the increased weight of

the fleeces which has been brought about consists largely of excess of grease, and the clean scoured yield of Cape wools has, except in the case of individual clips here and there, decreased to a considerable extent. I do not wish to go into detail about the various breeds of sheep, or to recommend or oppose one class or another. That is entirely a matter for the farmer to decide, as he knows the climatic influences at work in his part of the country, and the quality of his veld and feed, but I feel that it is necessary to say something in passing about the type which is known as

THE VERMONT.

It is said by many that the Vermont sheep is one which has been of much use in building up the massive and valuable fleeces now being grown in Australia. On the other hand, the wool dealer in South Africa usually describes this particular animal as "a curse to the country." I have been asked by farmers, not once, but hundreds of times, to reconcile these two positions. My reply is, that the Vermont may be *used* in Australia, but it is certainly *abused* in South Africa. Let me endeavor to explain my meaning by a little illustration. There is a drug called strychnine, which is a virulent poison, but which, in its proper combination with other items, is often prescribed, in infinitesimal quantities, by medical men, as a tonic. Used injudiciously, it kills, but the use of it in accordance with your requirements may prove of great benefit. That is probably the case with the Vermont. It might be useful to put the necessary amount of nourishing yolk into a dry, hungry wool, which lacks this quality, but to mate such sheep with a flock which already possesses a sufficiency, or perhaps even a superabundance, of yolk is a policy of suicide. Yet this is a policy which is being carried out by a very large number of wool farmers in South Africa, and which is the principal cause of the very low yield capacity of the bulk of our clip.

I have said that, in my opinion, the desideratum, from the farmer's point of view, and his pocket, is the production of a fleece of good average quality, of good yield, giving as big a clean weight as it is possible to obtain. If you agree with this statement you will begin to speculate in your own minds as to which breed, or combination of breeds, answers to this description. It is of no use asking for reliable information on this point from a wool man. He can tell you what is the most valuable class of wool, but it would be absurd for him to instruct you how to produce it. He is the wool expert, you are the wool producers. Of whom, then, should you ask for the requisite information? Ask it from yourselves. On this point it would appear to me (you must forgive my ignorance if I am wrong) that farmers' associations do not justify as fully as they might their positions as instruments worked for the good of the coun-

try. Of course, I am not speaking from personal experience of their meetings, but merely of what I have read in the Press about meetings of this and other kindred societies throughout the country. Do you, for instance, keep a record of the number of sheep owned by the various members of this Association, together with the average weight of wool shorn per animal, and the price obtained? If not, then it is a matter of vital importance that you should do so, because it is by the circulation of such information, which must be true and reliable, that knowledge as to the most profitable type of sheep can be arrived at. The price per pound which a man gets for his wool is, by itself, no criterion of the suitability of his particular class of sheep for breeding purposes.

PREPARING WOOL FOR THE MARKET.

I have pointed out in the foregoing what I consider to be the right track for farmers to follow, in their own interests, with regard to the production of wool. Presuming that they have produced the right class, the next step will be the preparation of the clip for the market. This is a most important matter, and I have written about it for many years past. The Government Department of Agricultural Co-operation is now giving attention to the subject, and wool growers throughout the Cape Colony are to be congratulated on being able to have practical illustrations given them by the Government expert, Mr. McKee, whose advice on this point is worthy of every attention. Mr. McKee's method is certainly a very drastic one, but it will have to become the general rule if the Cape clip is to be brought to a level with the best productions of other countries. I was present at one of Mr. McKee's practical illustrations, and it struck me that the farmers were not inclined to take out so large a proportion as he recommended. Certainly to a man who has never yet made any attempt at sorting his clip, the method advocated must appear very severe. I do think that every farmer who has a fairly large superior clip of good yielding capacity will find it to his interest to sort his wool thoroughly, but it will not pay the majority of farmers in this country to make many sub-divisions of their wools *until they have bred them up to a more satisfactory standard than that which exists to-day.*

I will tell you where the danger lies in this connection. The majority of farmers in this country, owing to the abuse of the Vermont and other causes, produce wools of an excessively heavy and wasty type, and if too much stress be laid on the question of sorting, they will come to the conclusion that they will simply have to sort their wools in order to obtain a much higher price than they have been in the habit of getting. In this expectation they will be grievously disappointed, and the danger to the progress of the industry lies in the fact that such disappointment may crush their desires for advancement, and cause them

to relapse again into their previous retrogressive method. But, whatsoever clip a farmer may produce, whether it be large or small, good, bad or indifferent, it is absolutely necessary that he should carefully separate all locks and dung lumps from the fleeces. The dung lumps will not pay transit expenses, and should be kept behind on the farm, while the locks, after being packed in separate bales, should be branded accordingly, and sent down with the rest of the clip. My own opinion is that it should be a criminal offence for a man to pack locks and dung lumps with his wool. It is surely doing no worse to mix water with milk, or ground acorns with coffee, yet these are crimes for which the law provides severe penalties. Quite apart from this point of view, however, it is to the interest of the farmer himself to sort out of his clip every possible ounce of superfluous matter, bearing in mind that the chief basis upon which the value of his clip is determined is the proportion of clean scoured wool which it contains. This matter was gone into very fully in a pamphlet entitled "Wool, and its preparation for Market," issued some time ago by Messrs. Mosenthal and Co., of Port Elizabeth, whose produce department I have the honor to manage, and I would like to impress the contents of that pamphlet on every wool grower in South Africa. The sorting out of belly wool is not so much an absolute necessity as is the case with regard to locks and dung lumps. The reason why it is advisable that the former should be packed separately is because it is usually shorter than the rest of the fleece and because such faults as seed and burrs are mostly found on the belly, if not confined to that part altogether.

THE SALE.

I have now dealt with the points of production and preparation for market. The next and last phase is that of the sale. It is the most important consideration of all, as it shows the result of the farmer's work, and proves conclusively if he is on the right track or not. The chief thing to be desired, and without it no general and pronounced forward movement can be maintained, is that each particular clip shall be sold on its own merits, so that every farmer who works for improvement shall receive his *quid pro quo*, while the obstinately retrogressive man shall meet with his Nemesis in the shape of poor competition and low prices. The system which is at present generally in vogue in South Africa is not in accordance with these principles, and leaves much to be desired. In fact, a complete reorganization is absolutely necessary, and until the latter is brought about no general improvement in the production and preparation for the market can possibly take place.

There are two methods generally used in this country by the farmer for the disposal of his produce. The one is by sale to a country buyer (usually a storekeeper) in the nearest town or

village, and the other is by consignment to the larger markets at the seaports. The first named channel is, undoubtedly, a wrong one for obvious reasons. The country buyer is not usually an expert in wool, etc.; in ninety-nine cases out of one hundred he has not the knowledge necessary to enable him to discriminate (even if he wished to do so) with any degree of exactness between the value of one clip and another. In the absence of this expert knowledge the storekeeper is forced to make his purchases more or less on the principle of average, trusting to the proportion of good clips to make up for the bad ones. It is just this principle which it is absolutely necessary should be avoided, because the would-be progressive farmer when he finds that he is not remunerated for his improvements, naturally relapses into the old barbaric practices.

In the markets at the Ports, viz.: Port Elizabeth, East London, Cape Town and Durban, an entirely different position exists to that which obtains in the country towns. In the former are to be found representatives of all the most important manufacturers and dealers in the chief centers of consumption, and the full equivalent of Home values for each individual clip is always obtainable. The methods in vogue at the Ports are, however, by no means perfect, and need reorganizing in the interest of the wool trade generally.

PUBLIC SALES WANTED.

In Port Elizabeth and East London the bulk of the business is done by private contract, a method which has some advantages, but also many drawbacks. There is not enough publicity about this way of doing business, and after nearly thirty years of experience in both the buying and selling of produce in South Africa, I am honestly of the opinion that the best interests of farmers would be served by public sales held regularly throughout the season. If you ask me why I prefer public sales to sales by private contract, I will answer: First of all because of the educational influence of the former. Education is brought about chiefly by observation of facts and comparison, and, for this purpose, publicity is the chief necessity. Look at the influence of such publicity in all wool transactions in Australia. I firmly believe that the great strides which that country has made in the production of wool are due, principally, to the public sale of each individual clip on its own merits. The farmer naturally wants to know; he wants, in fact, to see for himself that his clip, in the production and preparation of which he has devoted all his energies and facilities, is not made use of as a lever to get rid of somebody else's wool, which, on account of want of attention by the grower, does not find favor in the eyes of the buyer. If he be a truly progressive man, he will require no favor from anybody. He will simply want the full market price for his wool

on its own merits, to have a full report upon it, and to be informed of any points which are considered wanting in his clip.

There are other points, too, which, although more or less sentimental, have, nevertheless, considerable bearing on the practical side of the question. For instance, a public acknowledgment of excellence is extremely grateful to human nature, while public condemnation is the reverse. Public sales of wool, while they increase competition amongst buyers, also, by their very publicity, stimulate the progressive power to further efforts and practically shame the retrogressive individual into a forward movement. Publicity in selling will, in this country, as in Australia, do more than anything else to stimulate that spirit of healthy rivalry which is essential to the advancement of the industry and the general good of the country.

If it be conceded that sales by public auction are in the interests of farmers, the next question is: Where should they be held? In the country towns or at the Ports? Certainly at the Ports, and why? One reason is to minimize expenses (because all expenses in connection with the buying of wool fall, indirectly, on the farmer). There should be as few centers of distribution as possible, and those should be at the Ports, for there, as already mentioned, are gathered together the representatives of the chief manufacturers and dealers in the wool world. They buy the wool at the full equivalent of its clean value and, by forwarding direct to the centers of consumption, save the farmer all the intermediate expenses which he would incur if he shipped direct to any particular market in any part of Europe or America.

There is, however, one thing which is essential to the satisfactory carrying on of public sales, and that is a spirit of broad-mindedness amongst the farmers themselves. They must recognize the fact that there are bound to be irregularities in prices. It may appear to them, especially at first, as if buyers made unreasonable differences between one clip and another, the more so if their lot happens to fetch less than their neighbor's. They must remember that they are not experts in wool, that they do not know the buyer's clean scoured limit, or what special outlet he may have for a particular class of wool. They cannot be expected to judge of the yield as closely as the buyer. In fact, when they offer their wools for sale, they must be prepared to submit to the collective judgment of all of the buyers, and learn from the different prices, combined with their knowledge of the yield per head of their own stock, where they excel, or where they require improvement.

THE FIRST PUBLIC SALE.

On the seventh of December last, a sale was held in Port Elizabeth of clips belonging to members of the Highlands Wool Growers' Association, the first public sale on these lines ever

held in South Africa. I was sorry to learn from your secretary that opinions had been circulated amongst farmers to the effect that the sale was not a success. I have heard similar expressions myself, but they emanated from people who do not see the good points of anything that does not suit their own particular ends. With regard to my own actual knowledge of the results as they appealed to farmers' pockets, I can only say that the firm which I represent sold only three clips on that occasion, and that they received three letters from the owners, expressing full satisfaction at the prices obtained.

What are the facts in connection with that sale? There were 396 bales offered, consisting of 347 bales first quality and 49 bales of skirtings. The wools were throughout of satisfactory quality, and were locked and skirted. Some of the lots might, with benefit to the owners, have had a little more attention paid to the skirting, but as a beginning the exhibit all round reflected great credit on all parties concerned. The prices realized were as follows:

The 347 bales first quality ranged from 9½d. to 11¼d., an average of 9⅞d. per lb.

The 49 bales bellies and locks ran from 4d. to 7¼d., or an average of 6¼d. per lb.

The all-round average of everything, inclusive of bellies and locks, was nearly 9½d. per lb.

These figures were eminently satisfactory, and I know of several buyers who were unable to operate, because they considered the prices paid to be decidedly too high.

The unfortunate point in connection with that sale was that, previous to its being held, many of the farmers concerned had fixed their ideas of values too highly. Some small clips, which had come down early, had been sold out of hand at 10d. to 10½d., and we sold one clip at 11d. The latter, I may mention, was an exceptionally light wool. However, no sooner had the farmers belonging to the association heard of the price than they raised their ideas, and each man expected that his clip would fetch at least the top figure and probably more. Two small, very light clips did, on their own merits, fetch ¼d. more, viz.: 11¼d., and the owners were all smiles. The bulk, however, on their own merits, realized less, and some of the growers were dissatisfied. I hope you will now grasp what I mean by saying that the cultivation of a spirit of broad-mindedness among farmers is essential to the selling of wools publicly on their own merits.

Well, gentlemen, I have come to the end of my paper. It has been written rather hurriedly, and I may have been somewhat diffuse in my arguments. I hope, however, that the matter has been interesting, and that it may give you some food for thought. I have, in this writing, considered no other points than the welfare of the farmers and, consequently, the good of the country:

FOREST SERVICE ADMINISTRATION AND ITS EFFECT
UPON WOOL PRODUCTION.

THE following article calling the attention of wool manufacturers to the dangers threatening the wool growing industry by legislation pending in Congress is sent to us by a man prominently identified with the industry in the far West. His position entitles him to a hearing, and we print his communication as a contribution to the discussion of this important question. Our correspondent says:

Few persons, not engaged in it, comprehend the high position among the industries of the country occupied by wool manufacture.

According to the census of 1905 the aggregate cost of materials used in this industry in the United States was \$242,561,096.

Because of the industry's importance to the nation it is alarming to be told that it is menaced by the bills now pending in Congress which, if enacted into law, will enormously restrict its supply of the raw material.

The approach of this menace has been so insidious and under the mantle of consummating a great national blessing that I have heard of no one connected with the wool manufacture making any investigation; but the writer hereby gives warning that bills are pending in Congress which, if enacted, will enormously cut down the American wool clip. The results involved in the catastrophe I suggest will be readily understood by all wool manufacturers.

The value of the fleece wool in the wool clip of the whole United States in the year 1907 was \$62,958,165: while the value of the pulled wool of the country in the same year was \$15,305,000, making a total of \$78,263,165. These are pretty good figures. In fact, if we add to the wool figures the value of the mutton as well, we will have the neat total of \$142,428,960. So large is this sum that it exceeds by several millions the value of the output of all the gold and silver mines of the country for the same period, and before it the value of the annual output of the Standard Oil fades into insignificance.

Preliminary to appreciation of the menace to which I am calling attention, I must ask consideration of some few statistics. And to insure uniformity in deductions, let us take for a basis the Year Book of the Department of Agriculture for 1905, the latest edition available.

A glance at the Government's statistics in this book reveals the following information about wool: The total production (1905) for the United States — wool, washed and unwashed — was 253,488,438 pounds to which must be added 42,000,000 pounds of pulled wool. Furthermore, a careful examination

will show that of this national production of wool, over three-fourths came from States west of the Mississippi river. In fact, seven western States and territories, Wyoming, Montana, New Mexico, Utah, Idaho, Oregon, and California, herd over one-half the whole number of sheep in the United States, Wyoming and Montana alone producing nearly one-quarter of the nation's wool crop.

It requires, therefore, no special sagacity to see that whatever endangers a continuation of this wool supply, or of the vast proportion of supply furnished by these great wool producing States, really menaces every industry and the prosperity of every trade concerned directly or indirectly with the conversion of the American wool clip. In fact, the industry of wool growing is at a stage where it requires some nursing and encouragement, rather than a policy of restriction on the part of the Government. It may not be generally known among manufacturers of textiles that while cattle increased 51 per cent more in the last forty years than the population of the country, sheep retrograded in comparison with cattle and other livestock.

The only two countries in the world which surpass us in wool production are Argentina and Australia. This is primarily due to the vaster grazing operations in those parts of the world, and grazing is, of course, the first elemental process in nature's delicate laboratory work for the production of that precious fiber which from time immemorial has been so necessary to the comfort and happiness of man.

In America this great laboratory is found at its best on the great ranges of the unoccupied, unsettled public domain of the West. There Uncle Sam owns some 450,000,000 acres, about one-third of which is embraced in our national forest reserves. The remainder, wholly unfit for forest reserves—that is, for preservation of timber and conservation of water flow—is either in mineral lands or in agricultural lands awaiting entry by settlers, or in vast stretches of territory, without possibilities for irrigation, and, so far as present investigation shows, good for nothing except grazing land for cattle and sheep. In fact, I have traveled across the range for hours in Wyoming where the only forage worthy to be noticed was sage brush—good only for sheep.

Now, one-fifth of the entire grazing area of the State of Wyoming is in forest reserves. Under forest reserve regulations, 400,000 sheep are allowed to graze for two months on this one-fifth of the entire grazing area of the State. Now, mark that the remaining four-fifths of the State's grazing area—the part outside forest reserves—furnishes feed for 4,024,560 head. In other words, in Wyoming an area four times the grazing area of the forest reserves within the State furnishes forage for over ten times as many sheep as the forest service allows. Nor must it be inferred that this means crowding or overgrazing to accom-

moderate 4,024,560 sheep. Nothing could be further from the truth. Common business prudence among wool growers operates as a check upon overgrazing; the least overstocking is sure to exhibit itself in a diminished and inferior wool crop and a meager return of lambs. The same parties seldom graze over the same region in successive years. The wool growers are too wise to invite disaster by exhausting the range.

Not only do these four-fifths of the grazing area of Wyoming easily accommodate over ten times the number of sheep permitted by the Forest Service on an area only one-fourth as large, but these four-fifths accommodate the grazing of their sheep all the year around, while the Forest Service permits grazing for an average of two months only for the 400,000 sheep cited.

It will be seen, therefore, that if the four-fifths were handled like the one-fifth in the forest reserves, it would mean a reduction of 91.5 per cent of all livestock in the State of Wyoming. This means that out of every 100 head of stock running in Wyoming to-day we would have to get rid of 90 head.

Think you that the wool industry of this country would not be affected by such sweeping reductions as this in the great wool-producing States of the West? Would this 91.5 per cent reduction affect wool textiles? Yet this is not an imaginary condition, but one which just now confronts and threatens the West. Let me explain briefly.

In the last session of Congress, western senators and representatives directed attention to the fact that overzeal on the part of Forest Service officers was causing them to lose sight of the original and sole purpose of the nation in instituting forest reserves — namely, the protection of our timber reserve and conservation of water flow. Western Republicans and Democrats united in calling attention to the tendency and the seemingly deliberate purpose to make the institution of our national forests an instrument for accumulating a big revenue by mulcting western citizens. An army of forest employees was to be maintained at the expense of the western livestock industry. So far, the protest over the present administration of the forest reserves has come mainly from settlers and small cattlemen. These are being bled at every turn, and subjected to hundreds of needless irritations and abuses which I have not space here to discuss, this article concerning itself only with forest reserve administration as it menaces the wool growing industry.

To return to Wyoming, which we are using as an example, the Forest Service people have been looking longingly at that "four-fifths" of the State's grazing area upon which sheep are herded without a "permit." They have deplored the loss of much revenue from grazing fees. By their argument, the people were getting something for nothing. This notion that the "people" and the "Government" are distinct and far apart in their aims is a peculiar tenet of a Forest Service modeled upon

conditions prevailing in imperial forest reserves on the Continent of Europe.

How to get the water that was passing by the mill! In other words, how to make the people pay for something that they have never paid for since the foundation of the Republic—for the use of the public common or domain adjacent to their homes seems to be the object.

There lay all that vast domain of sage brush; and it belonged to the "Government"! And the people—the people were actually using it for nothing! It was something appalling. Could not something be done?

The only way to bring these public lands of the Government into the forest reserves would be by congressional enactment or by proclamations of the Chief Executive. But that there were no "forests" thereon needing to be "reserved" was rather too bald. In fact, you can stand on the borders of a "forest" reserve in Wyoming and search the horizon for sign of timber without finding any save occasionally a few scraggy, wind-blasted pines. Moreover, any re-forestation for most of this high rainless country is out of the question—it is too far removed from all possible benefits from irrigation. And, as there were no forests to be conserved, nor rainfall or water flow to be considered in connection with proper forest reserves, it was quite a puzzle to think of a justifiable reason for bringing the nation's public lands into the forest reserves.

In the reaction following the really wasteful and criminal destruction of our forests, there was rather a tendency to rush inconsiderately to the opposite extreme and conserve everything above ground or below ground except the air and sunshine. Nothing was to be used to-day; everything was to be saved for posterity.

The President was not likely to be moved by a commercial argument for multiplying the forest service income by merchandising forage. Such a proposition was less likely to please Congress.

There was nothing to do but to say that the range was being ruined by overgrazing.

It was well that Washington was at a goodly distance, for at the time this propaganda was decided upon, the open range looked particularly green and pleasing to the eye. In truth, the Forest Service had recently announced in its report that "the abundance of feed outside of the reserves was one cause of the failure to use permits" (Year Book, 1905, p. 279).

The Burkett bill introduced in Congress last year provided for the segregation of practically all of the remainder of the nation's public lands under a scheme for developing income, while ostensibly aiming at conserving the forage upon the public domain. Some 300,000,000 acres of public land were to be turned over to the control of the Forest Service, and grazing thereafter was to be

done under federal control in accordance with rules, regulations, and charges of the Forest Service.

The bill created quite a stir in the Fifty-ninth Congress and attracted the interest of many earnest men who have deplored our wastefulness of resources. The bill finally went out on a point of order.

But there are now pending before the Sixtieth Congress — to be considered this winter — two bills looking to the same end. One of these has been introduced by the big cattlemen who would be glad to see the range tied up under a leasing plan as that will prevent any further general settlement of the public domain.

There is considerable apprehension among settlers with reference to this movement and this has now extended to the wool growers, for reasons which we have attempted to analyze in this article. The voice of the West, however, is but feeble in the councils of the nation and it is time that eastern manufacturers were awakening to a sense of the effect that will be produced upon the wool manufacturing interests of this country by the yearly reduction of the wool clip in the great sheep growing States of the arid West.

THE DRESSING OF WOOL.

In certain districts of England so much dissatisfaction exists over the manner in which parcels of domestic wool are prepared for market, and with the foreign matter often contained therein, that an effort is being made to correct the abuse. Even in the district of Yorkshire, the seat of the British wool industry, the standard of preparation is far below that of the colonies. Recently Mr. J. W. Collinson, of Bradford, made an address on the subject to the Ripon Agricultural Association. Inasmuch as the correction of similar faults in this country is being strenuously urged, we reproduce an abstract of Mr. Collinson's remarks, taken from the "Yorkshire Post," in the hope that they will emphasize the arguments already made to the American wool grower. The chief causes of complaint are :

1. Carelessness in removal of dirt lumps of clags from the fleeces when winding.
2. Putting inside the fleeces greasy fallen wool and wasted locks, both of which are much inferior in value and totally unsuitable for use with the fleece wool.
3. The absence (in many cases) of any real attempt to remove the thorns and straws, etc., that in many cases adhere to the fleeces.

4. The presence in many clips of fleeces that are unwashed and not declared as such by the seller.
5. Carelessness and excessive use of tar, etc., in branding the sheep.

Mr. Collinson said the question was one that involved the best interests of the grower, the merchant, and the user, for the interests of the three were identical. The question was a very old one, for he noticed that it had been stated it was talked of one hundred and fifty years ago. It was important to look at the question from the spinners' and manufacturers' point of view, for unless the farmer and merchant did their duty in endeavoring to deliver the wool as it should be, loss must eventually fall on them, for the simple reason that worsted, yarn, and pieces cannot be made out of either claggings, straws, thorns, or hay, nor yet out of tar and pitch marks. The wool sorter had to remove all the thorns, straws, tar marks, and other foreign substances, and this added much to the cost, being usually far greater in amount than the draft. But with every care it was almost impossible to do this absolutely in the case of grass, which, when dry, was so thin as often to be almost unobservable. Should this get forward into the yarns and pieces it caused considerable loss, because of the faults it produced. He had repeatedly heard users state that they had to pay more for sorting wools from that district than from any other. They would easily see, he thought, from these remarks, that the negligence of farmers was handicapping their wools in comparison with all others that compete with them.

Mr. Collinson then proceeded to take the matter from the wool buyers' standpoint. The loss occasioned by negligence under the five headings he had given fell more completely on this class than even the spinners, because in his own interest he was compelled to remove them as far as possible before selling the wool to the spinner. He might state that the wool merchant sold the great bulk of his purchases in the fleeces. When the fleeces were classed one by one, and each one examined separately, the presence of many of those faults was detected. Dirt humps often proclaimed themselves by the weight of the fleece. Then many of the fleeces were badly wound, and that part of wool delivery was notoriously faulty in most Yorkshire wools. In marked contrast was the case of Lincolnshire and Leicestershire. Being so loose the interior of the fleeces became exposed and the presence of greasy fallen wool and washed locks was detected. The presence of straws and thorns was also found. Where these were prevalent the fleeces had to be opened out, picked, and re-wound, and those three operations entailed much loss, not so much in reduced weight of the wool as owing to the extra wages required. For instance, he submitted a sample out of a lot of one hundred and thirty stones, which took two men two days to pick foreign substances out of the fleeces. That meant at least a

loss in wages of 16s. When dirt lumps were present the case was very different, because the weight they represented was practically valueless. He thought there was almost room in some of those cases for the landlord to object to the removal of his freehold. The loss in the case of greasy fallen wool and washed locks amounted to from 6d. to 8d. per pound at the present price of wool. When one got, as he did that season, 8st. 11lb. of greasy fallen wool in a clip of forty or fifty stones, the matter was serious, because the loss represented between £3 and £4, or over 1s. 6d. per stone. In another instance, a clip of less than fifty stones contained sixty-four pounds of doddings left on the fleeces, twenty-one pounds of greasy fallen wool, and fourteen pounds of very poor washed locks, all inside the fleeces. These things also represented above 1s. 6d. a stone. He could multiply instances of that sort which had come within his own experience, but thought the samples he had brought would be a good object lesson.

The loss caused by the presence of unwashed fleeces, which had not been declared as such, fell entirely upon the wool merchant where he failed to get an allowance from the farmer, because they were never submitted to the spinner who was buying clean wools. If they were offered to him they would be rejected. Some of them might possibly be able to appreciate the difficulty of getting back from the average farmer anything he had once got hold of in the shape of cash, and their sympathies would go out to the wool buyer who finds occasion to ask for a concession for any of these reasons. In regard to the use of tar in marking the sheep, he would only say that in many cases far too large brands are in use, and sufficient care was not taken to prevent the sheep smearing the brand over other portions of the body during the process of marking or whilst leaving the pen. He imagined a fortune was in store for the man who could produce a material to mark with that would stand the weather, and yet be soluble in hot water. Was there any wonder that complaints were made by wool buyers who suffered from these drawbacks, especially when he stated that in ordinary times, and when prices were not fluctuating much, there were few, if any, trades where the percentage of profit on the turnover was so small, especially if any account be taken of the risks involved?

And what should be said of the farmer's position in this matter? He imagined not one will be prepared to justify him in resorting to the practices he had to condemn. He stated in his letter to the secretary that there was a great deterioration in the cleanliness and honesty of delivery during recent years, and he maintained that such was the actual fact, though, of course, they all knew that the practice was a "hoary-headed" one. In 1902 prices reached an abnormally low level, and they were then often told by farmers that the wool was not worth clipping off the sheep's

back. All commodities suffered from depressions in value at one time or another, but was that any good reason why it should be further handicapped by being placed upon the market in poor condition? The very reverse was the wisest and most business-like course, to say nothing of the honesty of the thing. When fault was found at that time with the practice he mentioned, they were repeatedly told it was not worth any attention. The seller seemed to have a reason to fit all occasions. When the price was very low, it was not worth doing, and when the price was high, as was the case at present, they were told that the demand was so good that somebody would buy it. He had always maintained, and still stated, that the bulk of the farmers were honest, straight-dealing men, but there were not a few that did as he had alleged. It might be that they put too implicit confidence in some one else to do the work, it might be carelessness, or it might be wilfully done. These questions he left for each individual to decide for himself, but he said that it was done in a very large number of cases, in some of which reparation was entirely refused when asked for; in others, most grudgingly and partially given, whilst a few met the complaint in a proper fashion. They were sometimes told they ought to look inside the fleeces, and they did not do so, and if anything was wrong the seller was not to blame. He wondered what some of them would think if the buyer when he came round to inspect the clip proceeded to unloose a score of the fleeces to see whether those objectionable matters had been put inside or they had neglected to dock the fleeces.

The remedy was in each individual endeavoring to see that his wool was properly "got up," and submitted in a perfectly honest condition. An association like that was doing a great thing to justify its existence when it endeavored to point out to the individual his duty upon that and other matters that came within its scope. Some one might fittingly ask, "What do you suggest to us in order to make satisfactory deliveries of our fleeces?" He would say give personal supervision to the clipping and winding of the wool, and if a winder is employed with a gang of clippers see that he does his work properly, or better still have a man specially engaged apart from the clippers to do this part of the work. See that every sheep that goes to the wash-dyke is actually washed, and if for any reason some were missed in that process, account should be taken of them and they should be mentioned to the buyer at the time of the sale. The sheep should be clipped within ten days at the most after washing. If attention were paid to all these details it would soon be found that complaints would cease and their wools would command the attention and patronage they deserved.

AN EXAMPLE OF PUBLIC-SPIRITED LIBERALITY.

At a town meeting held in Sanford, Me., in the spring of 1906, it was voted that the town should build a new town hall, for which an appropriation of \$30,000 was passed and a building committee appointed. When plans were examined it was found that the estimated cost of each was far in excess of the limit placed upon the committee. At that juncture, when it seemed that the project might have to be abandoned if the town should persist in keeping the limit originally set — or that an inappropriate building would have to be erected, Mr. E. M. Goodall, a member of the building committee, urged his fellow committeemen to secure plans for a suitable building with ample accommodations for the town and ascertain the cost, and announced that he would see what could be done toward raising the difference between the appropriation and the actual cost of the completed building. Plans for such a structure were secured and the hall was erected at a cost of \$71,733, all in excess of \$30,000 being paid and presented to the town by Mr. Thomas Goodall, Mr. E. M. Goodall, and the Sanford Mills. As a result of this liberality Sanford has a modern, commodious, and beautiful public building adequate for its present and future needs.

From the historical sketch read by Mr. Edward H. Emery we take the following facts pertaining to Mr. Thomas Goodall and the part taken by him and his associates in developing some of the town's most important enterprises. Concerning them he said :

In 1867 Thomas Goodall came to Sanford and bought the flannel factory of William Miller, now called mill No. 1 by the Goodalls, and the saw mill and grist mill of James O. Clark, the grist mill being where mill No. 2 now stands, thus getting the entire water privilege and paid \$15,500 for them. He began to manufacture blankets and carriage robes, and the town, which had been standing still for forty years, began to grow. The story would fill a volume and read like a fairy tale. Addition after addition has been made to these mills, while new mills and store-houses have had to be built. Batley was built in 1874, burned on Thanksgiving morning of 1892, and immediately rebuilt. In 1881 the Goodalls organized and began the manufacture of plush. Under difficulties that would have staggered and defeated most of us they continued and succeeded in producing the first mohair plush made in America. This success was perhaps more largely due to the efforts of George B. Goodall than any one else. More than half of all of the hair of the

Angora goat raised in America is used in Sanford, and large quantities have to be imported.

In 1889 the Goodall Worsted Company was organized with a capital of \$300,000, and in 1899 the Maine Alpaca Company was organized with a capital of \$500,000. A few days ago these two companies were consolidated with a capital of one million dollars.

In 1897 the Sanford Power Company was organized with a capital of \$100,000 and Old Falls dam built. In 1899 the dam was built at the foot of Long Pond, and in 1905-6 the great dam was built at the old Estes mill privilege.

WOOL DUTIES IN CANADA AND THE CANADIAN WOOL MANUFACTURERS.

FOR a half dozen years or more the wool manufacturers of Canada have found it difficult to carry on their business at a profit, their position not having been made any the less difficult by the tariff revision in 1906 by which the preference given the English exporter was increased and not lowered. If any preference is to be given, no doubt the Canadian, loyal in his devotion to the mother country, may favor it for England rather than for any other country; but it is very manifest that even the British preference is highly distasteful to those engaged in the Canadian wool manufacture.

Last July, just before the Canadian Parliament adjourned, the Canadian Manufacturers Association, espousing the cause of the woolen manufacturer, made an urgent appeal to Premier Laurier for immediate relief in the form of increased duties on imported wool manufactures. The appeal was made at so late a stage of the session that, owing to an agreement between the parties, no new legislation could be introduced for the remainder of the session. Answering the demand Premier Laurier expressed the government's hope that the difficulties of the manufacturers were due, not to tariff conditions, but to the depression in trade believed to be temporary. The "Canadian Textile Journal," advocating the cause of the manufacturers, believes, notwithstanding the refusal of the Premier to do anything at that time for the industry, that sooner or later "the great majority of our people will see that if this country is to stand alone a native Canadian woolen industry is vital to our economy."

Mr. E. B. Biggar, the editor of the "Textile Journal," who, heretofore, has not advocated a duty on wool, has experienced a change of view and now favors such a duty with a correspondingly increased duty on the manufactures of wool to compensate the manufacturer for the duties he would have to pay on his raw material. He believes that the woolen industry must ultimately collapse if present tariff conditions are continued.

This opinion is based on the steady decline in the number of woolen mills in Canada, which have decreased from two hundred and seventy in 1899 to one hundred and ninety-seven in 1908, the manufacturing capacity of the mills declining at the same time. With the severity of the Canadian winters to be prepared for it is essential that the country should be able to furnish clothing for her population. In a recent article Mr. Biggar shows the size of the textile industry in the United States and its importance to the country, although two wars, that of 1812 and 1861-5, were necessary, he writes, "to teach the United States that its textile industries were a vital part of its scheme of national defence." He doubts the wisdom of spending millions of dollars out of the public treasury in bonuses to create in Canada an iron and steel industry, together with other millions for industries based on raw materials not native to the country, and asks whether the Canadian people will confess themselves helpless when they come to face a problem which their forefathers dealt with successfully.

After stating that the manufacture of woolen textiles was among the first undertakings of the colonists in the various provinces of Canada he declares that "the growing of wool and the manufacture of woolen textiles thrived together in harmony not only through the long period when it remained an industry of the home, but well into the era of machinery and until the two interests were divorced by tariff laws."

Having studied the history of wool manufacture in the United States he is convinced that the principles for which this Association has stood and now stands—protection for the wool grower and the wool manufacturer—are wise, and he advocates the adoption of a similar policy in Canada as the only means to save the wool manufacture to the country. What he says on this point is interesting and well worth reproduction. We quote: "Strange as it may at first seem to protectionists, tariff legislation brought about the decay of the woolen industry of

Canada and unless the whole principle of this legislation is changed a few years more will see the complete ruin of its most important branches. Tariff legislation has brought about this decay, not because the protectionist policy is wrong in itself, but because it has been applied at the wrong end of the business. The framers of former woolen tariffs began the edifice at the second story instead of at the foundation. The foundation of a woolen industry is wool, and the protection that Canada needs to reestablish this industry is a system that will begin with the sheep raiser and continue by progressive stages to the spinner, weaver, and knitter, and on to the clothing manufacturer."

The same readiness to concede to the wool grower a duty on wool was shown at the September meeting of the Canadian Manufacturers Association by President Roland who, in setting forth the deplorable conditions of the Canadian woolen industry, said :

"It is now apparent that unless a helping hand is stretched forth from some quarter to stay it in its downward career, the Canadian woolen industry, which ought to be indigenous to the country, is doomed to speedy extinction. The question for the Canadian people to decide and decide at once is whether or not the industry is worth preserving. If it is not, let them immediately close its doors and tell its 4500 workmen and workwomen to seek out other employment. If it is, then let them give it fair treatment to the end that the farmer may receive a reasonable price for his wool, the workman a decent living wage for his labor, and the manufacturer at least ordinary interest on his investment."

It is interesting to those manufacturers in this country who favor wool duties for the American flockmaster and farmer to discover that in Canada, where wool has been little considered in tariff making, the wool manufacturers are rapidly reaching the conclusion that if their industry is to be rescued from the slough into which it has been brought by the too liberal British preference, it must be by imposing a duty on wool with compensating duties on its manufactures.

Since 1867, except for three years, that policy has governed the tariff legislation of the United States and under it all branches of the wool manufacture have been tremendously expanded. Prior to that time before the growers and manufacturers made common cause and stood together in their demands for fair treat-

ment in tariff legislation, these two interdependent interests were so antagonistic to each other in their contests before Congress that they were in constant turmoil — first one and then the other — gaining a supposed advantage and neither meeting with the success it deserved. During the forty years since 1867 the manufacturers have adjusted their business to the wool duty, and we believe there are comparatively few at this date who insist that free wool is essential to the success of the wool manufacture. When the experiment was tried from 1893 to 1897 it is generally agreed that no more trying years were ever experienced by either the wool grower or the wool manufacturer of the United States. The prediction of enhanced prices for domestic wools, because of increased demand by domestic manufacturers, to be created by the expected larger exports of American made goods all failed so utterly that none who passed through these trying years wish again to experience a like period of stress and trial. Of exports of finished goods there were practically none, and the domestic consumption dwindled to such small proportions that machinery stood idle and the wool grower, not finding sufficient demand at home for his clip, essayed to enter the exporting lists only to do so at a heavy loss. During these long-to-be-remembered years the wool grower and the wool manufacturer suffered equally, and it was only after some seasons of prosperity that they were again free from the burden under which they labored during the free wool period.

Whatever may be the outcome of this agitation in Canada, to us on this side of the border the aspiration to be a self-sufficing nation and to be entirely independent of other countries seems reasonable and natural. That Canada may attain that position and at the same time expose her wool manufacture to the ruinous competition before which it is now prostrate does not seem possible. With the tremendous extent of her domain, capable of sustaining a large population which at the present rate of development seems sure to be many millions fifty years hence, the industry ought to be worthy of the country and her enterprising people. With such development within the range of probabilities the men who predict a great future for the industry, if given a chance, have as a basis for such belief the wonderful development of the wool manufacture in the United States under the same policy as is now urged in Canada by those seeking relief from present hardships.

SHEEP LEASING ABANDONED.

THREE years ago a corporation, called the New England Farm Stock Company, was formed in Greenfield, Mass., under the auspices of the Greenfield Board of Trade to lease sheep to farmers and to conduct the sheep raising business on abandoned farms in that vicinity. Many sheep were purchased and leased, and the indications pointed to a successful outcome; but it has been announced in the daily press that the company has decided to give up the leasing end of the business, it having been demonstrated that that feature of the business requires too close supervision to warrant its continuance. The press item says:

Where lessees' farms are located closely together the lease work is profitable. But as farmers already owning sheep will not lease, and as some others are not responsible enough to be trusted with flocks, the company has had to place its leased sheep at farms considerably distant from each other, so as to get them into the best hands. Many of them are scattered about Vermont. This requires a great deal of time for a representative to go from farm to farm to look after them, and under such conditions the work is unprofitable.

The company's unusual experiment indicates that sheep ranching on a large scale on old New England hill farms under competent shepherds is quite profitable. The company will have 1800 to 1900 lambs to dispose of this year. Its sheep have averaged to shear about seven pounds of wool each.

AN IMPROVED WOOL PACK FOR AUSTRALIAN WOOL.

For a considerable length of time a Bradford committee have been working to solve the problem how to prevent or reduce the intrusion of vegetable matter into wool, and attention was fixed upon securing an acceptable all-wool pack so that nothing but wool would be brought into contact with the wool. But the difficulty with this solution was the cost of making such a pack adapted to the rough handling to which it would be subjected on its way from the grower to the consumer. Up to a recent date nothing which could be recommended to the Australian wool growers was produced; but within a few months an experiment was made with a pack which, whilst giving the desired result of bringing wool in contact only with wool, can be made at a comparatively small cost. This is effected by means of an all-

wool lining for the pack. The test to which the pack and lining were subjected was thus described by the Bradford "Observer." It said :

At the warehouse of Messrs. Francis Willey & Co. a very severe test of a wool lining which has been devised by Messrs. T. & J. Tinker, of Huddersfield, was undergone. A previous experiment in this direction, in which Messrs. Tinker had supplied an all-wool bag, failed when it came to the test of the use of hooks. In the present case Messrs. Tinker had been satisfied with making the lining from crossbred wool in a knitted form which has great elasticity as well as considerable strength. A bag of this material was placed inside the ordinary jute bag, and the pack was then filled with heavy, greasy fleeces in a press which is an exact replica of the common wool press used in New Zealand and Australia. The bale having been filled and tightly pressed, the loose lid was sewn on, and the bale was then weighed. It turned the scale at four hundredweight, which is two-quarters heavier than the usual limit for Australian bales. The outer jute pack was then ripped open, and it was found that the inner lining was quite uninjured with the exception of three small holes where pins had been through.

The enormous advantage of using such a lining was immediately obvious, for if a bale of wool so lined were opened the whole quantity of wool could be rolled out intact on a clean floor, and there would be no danger whatever of the wool catching up fibers from the floor or from the bag itself. The real question which the committee were anxious to solve was whether in the press this apparently flimsy wool lining would stand the enormous strain to which it was subjected. It came out of the ordeal, however, most triumphantly. The question of the adoption of such a wool lining is, of course, a very complicated one. The mere cost of the lining is not serious — perhaps a shilling or fifteen pence would cover it. But there is also a question as to facility of handling, and if the adoption of such a lining were in any serious sense a hindrance to packing it would no doubt arouse strong prejudices. At the same time, the adoption of this lining offers practically a perfect cure. In the second place, by its use it would not be necessary to use more expensive jute bags, as has been suggested should be done, and, moreover, to the ultimate purchaser there would be increased value in the tare itself, for even for "pulling" the lining would be worth at least sixpence. Probably the added cost to the grower would not be directly more than sixpence or ninepence, apart altogether, of course, from any question of additional trouble, if there were any, in packing. Arrangements are being made to submit a couple of bales packed in this manner to the judgment of wool experts in London during the present series of sales.

QUARTERLY REPORT OF THE BOSTON WOOL MARKET
FOR JULY, AUGUST, AND SEPTEMBER, 1908.

DOMESTIC WOOLS. (GEORGE W. BENEDICT.)

	1908.			1907.
	July.	August.	September.	September.
OHIO, PENNSYLVANIA, AND WEST VIRGINIA.				
(WASHED.)				
XX and above	32	32	33	34 @ 35
X	30	30	31	32
1/2 Blood	33	33	34	39
1/4 "	32	32	33 }	37
1/8 "	31	31	32 }	
Fine Delaine	34	35	35	38 1/2
(UNWASHED.)				
Fine	21	22	22	27
1/2 Blood	26	26	26	34
1/4 "	25	25	26 }	34
1/8 "	24	25	25 }	
Fine Delaine	26	27	27	32
MICHIGAN, WISCONSIN, NEW YORK, ETC.				
(WASHED.)				
Fine	32	32	33	38
1/2 Blood	31	31	32 }	36
1/4 "	30	30	31 }	
Fine Delaine	32	33	34	37
(UNWASHED.)				
Fine	20	21	21	25
1/2 Blood	25	25	25 }	33
1/4 "	24	24	24 }	
1/8 "	23	23	23 }	32
Fine Delaine	25	26	26	29
KENTUCKY AND INDIANA.				
(UNWASHED.)				
1/2 Blood	25	25	25 }	31 1/2
1/4 "	24	24	24 }	
Braid	20	20	20	27
MISSOURI, IOWA, AND ILLINOIS.				
(UNWASHED.)				
1/2 Blood	23	23	24 }	30
1/4 "	22	22	23 }	
Braid	20	20	20	27
TEXAS.				
(SCOURD BASIS.)				
Spring, fine, 12 months	53	53	53	71
" " 6 to 8 months	46	46	46	64
" medium, 12 months	46	46	46	63
" " 6 to 8 months	41	41	41	56
Fall, fine	42	42	42	
" medium	40	40	40	
CALIFORNIA.				
(SCOURD BASIS.)				
Spring, Northern, free, 12 months	46	46	47	68
" " " 6 to 8 months,	41	41	42	63
Fall, free	32	32	33	56
" defective	25	25	27	40
TERRITORY WOOL: Montana, Wyoming, Utah, Idaho, Oregon, etc.				
(SCOURD BASIS.)				
Staple, fine and fine medium	56	57	57	72
" medium	50	50	50	65
Clothing, fine	48	48	48	67
" " medium	46	46	46	66
" medium	42	42	42	60
NEW MEXICO. (Spring.)				
(SCOURD BASIS.)				
No. 1	48	48	49	63
No. 2	40	40	41	54
No. 3	26	26	28	42
No. 4	23	23	25	34
NEW MEXICO. (Fall.)				
(SCOURD BASIS.)				
No. 1	38	38	40	
No. 2	32	32	33	
No. 3	25	25	26	
No. 4				
GEORGIA AND SOUTHERN.				
Unwashed	22	23	23	28

DOMESTIC WOOL.

Boston, September 30, 1908.

The quarter under review (July, August, September) has been one of fairly normal conditions with the volume of sales rather in excess of the preceding quarter. This was only natural in view of the fact that the larger offerings of the new clip were more attractive, and furthermore a basis of values had been established on which some of the shrewdest manufacturers felt it safe to operate.

In the latter part of June and early in July some large contracts were consummated for future delivery by a few prominent worsted manufacturers recognized as leaders in the market of staple grades of fleece and territory wool. It is also worthy of note that these same manufacturers were very consistent buyers throughout this quarter (thus accumulating some good lines of very reasonable wools) regardless of the uncertainties attending the results of the presidential election, which some of their more timid contemporaries tried to use as a "bear" argument on prices.

On the opening of the light weight season orders for goods proved decidedly unsatisfactory, especially to the woollen manufacturers, and among this class a feeling of apathy existed towards the wool market which caused dealers some anxiety, and for a few weeks the market might be said to be in buyers' favor, especially on clothing and inferior wools. This condition of things fortunately was not destined to continue for a great while as the combers on the French system (who are now important factors as users of clothing wools) began to operate and took large lines of Idaho, Utah, and kindred stock on a basis of from 43 cents to 45 cents clean for the fine and fine medium grades. This marked the beginning of a broad and extensive buying movement late in September.

At this writing the political horizon seems to be clearing and more confidence is being shown by manufacturers generally in anticipating their immediate requirements. Values are still much below the importing point and it will not be strange if we have an active wool market with some advance in prices in the near future.

GEORGE W. BENEDICT.

PULLED WOOLS. (*Scoured basis.*) (W. A. BLANCHARD.)

	1908.			1907.
	July.	August.	September.	September.
Brushed, Extra	55 @ 60	53 @ 60	53 @ 60	68 @ 72
Fine A	45 @ 50	45 @ 50	45 @ 50	60 @ 65
A Super	40 @ 43	40 @ 43	40 @ 43	52 @ 57
B Super	32 @ 35	32 @ 35	32 @ 35	42 @ 45
C Super	20 @ 25	20 @ 25	20 @ 25	30 @ 35
Fine Combing	48 @ 52	48 @ 52	48 @ 52	57 @ 62
Combing	38 @ 42	38 @ 42	38 @ 42	47 @ 50
California, Extra	47 @ 52	47 @ 52	47 @ 52	62 @ 68

REMARKS.

There is little change to be noted between this quarter and the one preceeding it. As before, wools suitable for worsted purposes have sold readily, but stock not up to such requirements in character and staple has dragged. The favorable factor in the situation has been the increasing use of shorter wools by the combers, particularly noticeable in the case of lamb's supers. In other years the summer A's and B's have been usually sold in a scoured state to the woolen mills; but of late these wools have been taken in the grease by the worsted-spinners, and at figures more favorable for the pullers. Low wools, such as C's and No. 1's have shown no improvement, and the few transactions in them have been for carpet-yarns at figures close to the level of the free-wool price-list. Extras and Fine A's are at this season pulled from pelts of sheared sheep, and, by reason of their short length, have been slow of sale. The amount of combing wool of any of the grades has been so limited that the valuations given are more nominal than actual. The quarter for the pullers has been far from satisfactory.

W. A. BLANCHARD.

FOREIGN WOOLS.

The activity in the demand for Australian crossbreds noted in the earlier portion of the year has continued steadily during the past three months. The American markets being lightly supplied with quarter blood and medium fleeces, our big mills have had to depend largely upon Australia and South America for their supply.

The low prices ruling at the London sales, where large quantities were withdrawn at each sale in order to prevent a glut on the market, favored the purchase of crossbreds by Americans, and they were free operators. Toward the latter part of the quarter a little more interest was manifested in fine wools, and a moderate amount was bought for the use of America.

English wools have continued very popular with some of our worsted manufacturers, and they have been steady users right along.

Carpet wools, owing to high prices abroad, have not come to this market very freely, but the efforts of consumers of these wools to depress the price

QUARTERLY REPORT OF BOSTON WOOL MARKET. 473

have not been so successful during the past three months as earlier in the year. Many importers have settled with their bankers, and but little wool has been forced for sale recently.

General business conditions are improving here, and with a return of confidence it is quite likely that very heavy importations of all classes of foreign wools will be noticed for the balance of the year.

MAUGER & AVERY.

OCTOBER 1, 1908.

FOREIGN WOOLS. (MAUGER & AVERY.)

	1908.			1907.
	July.	August.	September.	September.
Australlan Combing:				
Choice	41 @ 42	41 @ 42	41 @ 42	43 @ 45
Good	39 @ 40	39 @ 40	39 @ 40	41 @ 42
Average	37 @ 38	37 @ 38	37 @ 38	40 @ 41
Australian Clothing:				
Choice	41 @ 42	41 @ 42	41 @ 42	43 @ 45
Good	39 @ 40	39 @ 40	39 @ 40	41 @ 42
Average	37 @ 39	37 @ 39	37 @ 39	39 @ 40
Sydney and Queensland:				
Good Clothing	38 @ 40	38 @ 40	38 @ 40	41 @ 43
Good Combing	40 @ 41	40 @ 41	40 @ 41	41 @ 42
Australian Crossbred:				
Choice	35 @ 36	35 @ 36	35 @ 37	44 @ 46
Average	29 @ 31	29 @ 31	30 @ 32	42 @ 43
Australlan Lambs:				
Choice	42 @ 44	42 @ 44	42 @ 44	44 @ 47
Good	40 @ 42	40 @ 42	40 @ 42	40 @ 43
Good Defective	32 @ 34	32 @ 34	32 @ 34	35 @ 37
Cape of Good Hope:				
Choice	32 @ 34	32 @ 34	32 @ 34	36 @ 37
Average	29 @ 30	29 @ 30	29 @ 30	31 @ 33
Montevideo:				
Choice	31 @ 32	31 @ 32	30 @ 31	37 @ 39
Average	30 @ 31	30 @ 31	29 @ 30	34 @ 36
Crossbred, Choice	28 @ 30	28 @ 30	28 @ 29	38 @ 39
English Wools:				
Sussex Fleece	35 @ 37	35 @ 37	35 @ 37	43 @ 44
Shropshire Hogs	34 @ 35	34 @ 35	34 @ 35	40 @ 42
Yorkshire Hogs	32 @ 34	32 @ 34	32 @ 34	41 @ 42
Irish Selected Fleece	32 @ 34	32 @ 34	32 @ 34	39 @ 41
Carpet Wools:				
Scotch Highland, White	15 @ 16	14 @ 15	14 @ 15	24 @ 25
East India, 1st White Joria	25 @ 26	25 @ 26	24 @ 25	30 @ 31
East India, White Kandahar	23 @ 25	23 @ 25	22 @ 24	25 @ 27
Donskoi, Washed, White	26 @ 28	26 @ 28	26 @ 28	32 @ 33
Aleppo, White	26 @ 28	26 @ 28	26 @ 28	33 @ 35
China Ball, White	16 @ 18	16 @ 18	16 @ 18	19 @ 21
" " No. 1, Open	16 @ 18	16 @ 18	16 @ 18	15 @ 18
" " No. 2, Open	15 @ 16	15 @ 16	15 @ 16	12 @ 14

IMPORTS OF WOOL AND MANUFACTURES OF WOOL.

Entered for Consumption, Years ending June 30, 1907 and 1908. Quantities, Values, Rates of Duty, and Accruing Duties.

From the Annual Report on Commerce and Finance by the Chief of the Bureau of Statistics, Department of Commerce and Labor.

ARTICLES.	Rates of duty.	1907.				1908.			
		Quantities.	Values.	Duties.	Quantities.	Values.	Duties.	Value per unit of quantity.	Average.
Wool, hair of the camel, goat, alpaca, or other like animals:									
Class 1 — Merino, mestiza, metz, or metis wools, or other wools of merino blood, immediate or remote, down clothing wools, etc., and all wools not herein after included in classes two and three —									
Unwashed wool —									
On the skin (pounds)	10 cents per pound	1,449,203.50		Dollars.	675,338.70		Dollars.		
On the skin (reciprocity treaty with Cuba)	10 cents per pound		305,162.50	144,930.35		125,564.00	Dollars.		
Not on the skin (pounds)	less 20 per cent.	163.00	33.00	13.04					
Washed wool, not on the skin (pounds)	11 cents per pound.	90,045,325.75	22,249,572.25	9,904,985.85	59,946,667.00	14,289,012.00	6,594,133.37	.238	46.15
Scoured wool (pounds)	22 cents per pound.	1,675.25	601.00	368.56	45.00	26.00	9.90	.578	38.07
	33 cents per pound.	8,119.50	7,146.00	2,679.44	165.00	19.00	54.45	.115	286.58
Total, Class 1		91,504,587.00	22,562,514.75	10,052,977.24	60,022,215.70	14,414,021.00	6,661,731.59	.197	46.12
Class 2 — Leicester, Cotswold, Lincolnshire, down combing wools, Canada long wools, or other like combing wools of English blood, and usually known by the terms herein used, and also hair of the camel, Angora goat, alpaca and other like animals —									
Wool, washed and unwashed —									
On the skin (pounds)	11 cents per pound.	78,604.00	21,908.10	8,646.44	34,849.01	9,568.06	3,833.39	.275	40.06
Not on the skin (pounds)	12 cents per pound.	9,807,384.50	2,863,081.75	1,176,881.36	9,901,551.33	2,615,481.35	1,185,180.16	.264	45.43
Scoured wool	36 cents per pound.				110.00	.37.00	39.60	.336	107.03

Camel's hair— Washed and unwashed (pounds)	12 cents per pound,	. . . . .	. . . . .	. . . . .	89,903.00	24,949.00	10,788.36	.278	43.24
Hair of the Angora goat, alpaca, and other like animals— Washed and unwashed (pounds)	12 cents per pound,	2,191,547.00	738,540.00	262,985.64	1,468,800.00	515,249.00	176,256.00	.351	34.21
Total, Class 2		12,077,545.50	3,623,529.35	1,448,519.44	11,495,273.34	3,165,285.01	1,379,103.51	.276	43.57
Class 3—Donskoi, native South American, Cordova, Valparaiso, native Smyrna, Russian camel's hair, etc. Valued 12 cents or less per pound— Wool, washed and unwashed— On the skin (pounds)	3 cents per pound,	1,826,804.50	206,159.70	55,104.14	850,149.00	77,180.57	25,504.48	.091	33.05
Not on the skin (pounds)	4 cents per pound,	43,324,853.50	4,891,060.60	1,756,994.18	34,965,342.50	3,605,611.40	1,398,613.70	.103	38.79
Camel's hair, Russian, washed and unwashed (pounds)	4 cents per pound,	628,424.00	67,050.00	25,136.96	255,574.00	29,647.00	10,222.96	.116	34.48
Valued over 12 cents per pound— Wool, washed and unwashed— On the skin (pounds)	6 cents per pound,	39,647.00	5,208.00	2,378.82	26,818,123.56	3,286,050.00	1,877,268.65	.197	35.51
Not on the skin (pounds)	7 cents per pound,	44,440,828.86	8,843,857.00	3,110,858.03	964,289.00	141,818.00	67,500.23	.147	47.60
Camel's hair, Russian, washed and unwashed (pounds)	7 cents per pound,	1,582,561.00	261,612.00	110,779.30	63,853,478.16	9,140,306.97	3,379,110.02	.14	36.97
Total, Class 3		92,453,118.86	14,275,547.30	5,061,251.40	135,970,907.10	26,720,212.98	11,419,945.12	.197	42.74
Total classes one, two, and three		196,035,251.36	40,461,591.90	16,562,748.08					
Wool and hair advanced in any manner, or by any process of manufacture, beyond the washed or scoured condition, not specially provided for— Valued at not more than 40 cents per pound (pounds)	33 cents per pound,	3.00	1.00	1.49					
Valued at over 70 cents per pound (pounds)	44 cents per pound and 55 per cent.	847.00	962.92	902.29	401.75	707.54	565.92	1.76	79.98
Total, advanced		850.00	963.92	903.78	401.75	707.54	565.92	1.76	79.98

Imports of Wool and Manufactures of Wool, entered for Consumption, Years ending June 30, 1907 and 1908. Quantities, Values, Rates of Duty, and Accruing Duties. — Continued.

ARTICLES.	Rates of duty.	1907.				1908.			
		Quantities.	Values.	Duties.	Quantities.	Values.	Duties.	Value per unit of quantity.	Average.
Wool, hair of the camel, etc.— <i>Continued.</i>									
Manufactures composed wholly or in part of wool, worsted, the hair of the camel, goat, alpaca, or other animals —									
Rags, mungo, flocks, nolls, shoddy, and waste —									
Nolls (pounds)	20 cents per pound.	443,611.00	175,333.00	88,725.20	167,107.00	70,028.00	33,421.40	419	47.73
Rags and flocks (pounds)	10 cents per pound.	151,291.00	46,454.00	15,129.05	33,973.00	11,675.00	3,397.20	344	29.10
Shoddy (pounds)	25 cents per pound.	35.00	14.00	13.75	20.00	9.00	5.00	25	100.00
Wastes, slubbing, ring, and garnetted (pounds)	30 cents per pound.	75.00	19.00	22.50	248.00	87.00	74.40	351	85.32
Wastes, top and roving (pounds)	30 cents per pound.	10,948.00	5,224.00	3,284.40	100.00	31.00	30.00	31	96.77
Wool extract, yarn, thread, and all other wastes not specially provided for (pounds)	20 cents per pound.	142,130.00	61,134.00	28,426.00	69,733.00	27,780.00	13,946.60	338	50.20
Total rags, mungo, flocks, nolls, etc.		748,110.00	288,780.00	135,597.90	271,180.00	109,604.00	50,874.60	404	46.42
Yarns, made wholly or in part of wool —									
Valued not more than 30 cents per pound (pounds)	27½ cents per pound and 40 per cent.	81.75	21.80	31.18	25.25	6.38	9.51	253	149.06
Valued more than 30 cents per pound (pounds)	38½ cents per pound and 40 per cent.	164,355.79	133,916.06	116,843.59	193,595.72	150,651.33	134,794.94	778	89.47
Total yarns		164,437.54	133,937.86	116,874.77	193,620.97	150,657.71	134,804.45	778	89.47

Blankets— Valued not more than 40 cents per pound (pounds)	22 cents per pound and 30 per cent. .	1,116.00	316.00	340.32	1,761.11	587.50	563.69	.334	95.95
	Valued more than 40 and not more than 50 cents per pound (pounds)	472.00	219.00	232.41	1,089.62	809.25	840.96	.479	103.92
	Valued at more than 50 cents per pound (pounds)	28,210.00	29,737.95	21,204.53	18,680.80	23,097.52	15,403.82	1.24	66.69
	Ditto (reciprocity treaty with Cuba)								
	33 cents per pound and 40 per cent. less 20 per cent. .				6.00	11.00	5.10	1.83	46.36
More than 3 yards in length— Valued not more than 40 cents per pound (pounds)	33 cents per pound and 50 per cent. .	142.00	40.60	67.16	305.00	69.00	135.15	.226	195.87
	Valued more than 40 and not more than 70 cents per pound (pounds)	5,917.50	3,668.00	4,437.70	2,824.85	1,753.00	2,104.44	.61	122.13
	Valued more than 70 cents per pound (pounds)	9,253.80	8,217.60	8,591.55	2,682.80	2,707.85	2,669.76	1.01	98.59
	Total blankets	45,111.30	42,199.15	34,873.47	27,950.18	29,005.12	21,722.92	1.04	74.89
Carpets and carpeting— Aubusson, Axminster, moquette, and chenille carpets (square yards)	60 cts. pr. sq. yd. and 40 per cent.	21,135.44	48,146.55	31,939.89	17,597.75	41,003.00	26,959.85	2.33	65.75
	Brussels carpets (square yards)	9,281.25	11,403.33	8,045.08	2,839.63	3,803.00	2,770.64	1.34	72.85
	Carpets woven whole for rooms, and Oriental, Berlin, Aubusson, Axminster, and other similar rugs (square yards)	927,457.22	4,172,076.79	2,506,542.37	627,842.89	2,748,584.30	1,664,492.42	4.38	60.56
	Ditto (reciprocity treaty with Cuba)								
	90 cents per sq. yd. and 40 per cent. less 20 per cent.				1.00	4.00	2.00	4.00	50.00
Druggets and bookings, printed, colored, or otherwise (square yards)	22 cts. pr. sq. yd. and 40 per cent.	10,252.00	7,321.00	5,183.84	21,899.00	18,007.00	12,020.58	.822	66.76
	Felt carpeting (square yards)	31.00	102.00	51.00	47.00	23.00	11.50	.489	50.00

Cloths, woollen or worsted — Valued not more than 40 cents per pound (pounds)	33 cents per pound and 50 per cent.	71,308.45	27,883.25	37,378.42	51,820.85	19,608.00	26,804.90	.378	137.21
Valued more than 40 cents and not more than 70 cents per pound (pounds)	44 cents per pound and 50 per cent.	295,766.58	188,917.50	224,596.07	205,002.90	124,288.50	152,345.54	.606	122.57
Valued above 70 cents per pound (pounds)	44 cents per pound and 50 per cent.	4,799,020.76	5,389,487.80	5,064,787.62	4,061,125.05	4,455,376.42	4,237,351.88	1.10	95.11
Valued above 70 cents per pound (pounds) (reci- procity treaty with Cuba)	44 cents per pound and 55 per cent. less 20 per cent.	1.00	3.00	1.67	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Ditto (from Philippine Islands)	75 per cent. of 44 cents per pound and 55 per cent.	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Total cloths, etc. . . . .	. . . . .	5,160,096.79	5,586,101.55	5,326,763.78	4,317,950.18	4,599,273.92	4,416,603.19	1.06	96.03
Dress goods, women's and children's, coat linings, Italian cloths, and goods of similar descrip- tion — The warp consisting wholly of cotton or other vegetable materials, with the remainder of the fabric composed wholly or in part of wool — Valued not exceeding 15 cents per square yard and not above 70 cents per pound (square yards)	7 cents per sq. yd. and 50 per cent. .	11,128,071.00	1,392,913.60	1,475,421.77	10,421,577.91	1,277,687.00	1,368,353.96	.123	107.10
Valued not exceeding 15 cents per square yard and above 70 cents per pound (square yards)	7 cents per sq. yd. and 50 per cent. .	1,016,360.00	138,489.00	147,314.18	1,436,496.50	200,719.00	210,950.21	.14	105.10
Valued above 15 cents per square yard and not above 70 cents per pound (square yards)	8 cents per sq. yd. and 50 per cent. .	194,086.00	33,131.50	32,092.63	222,815.75	36,371.80	36,011.16	.163	99.01
Valued above 15 cents per square yard and above 70 cents per pound (square yards)	8 cents per sq. yd. and 55 per cent. .	6,721,266.83	1,373,974.45	1,293,387.28	7,694,318.35	1,594,991.51	1,492,790.79	.207	93.59
Weighing over 4 ounces per square yard — Valued not more than 40 cents per pound (pounds)	33 cents per pound and 50 per cent.	. . . . .	. . . . .	. . . . .	638.00	241.00	331.04	.378	137.36

Imports of Wool and Manufactures of Wool, entered for Consumption, Years ending June 30, 1907 and 1908. Quantities, Values, Rates of Duty, and Accruing Duties. — Continued.

ARTICLES.	Rates of duty.	1907.			1908.			Average.
		Quantities.	Values.	Duties.	Quantities.	Values.	Duties.	Value per unit of quantity.
Wool, hair of the camel, etc.— <i>Continued.</i>								Ad valorem rate of duty.
Manufactures composed wholly or in part of wool, worsted, etc.— <i>Continued.</i>								
Dress goods, women's and children's, etc.— <i>Cont.</i>								
Valued more than 40 and not more than 70 cents per pound (pounds)	44 cents per pound and 50 per cent. .	379.75	Dollars. 255.00	Dollars. 294.59	8,570.75	Dollars. 5,009.00	Dollars. 6,275.63	Dolls. Pr.ct. .584 125.28
Valued more than 70 cents per pound (pounds), 44 c. p. lb. & 55 p.c.		9,709.42	11,358.40	10,519.31	177,493.86	181,175.85	177,744.03	1.02 98.11
Composed wholly or in part of wool —								
Valued not above 70 cents per pound (square yards)	11 cts. per sq. yd. and 50 per cent. .	32,298.93	6,556.50	6,831.13	38,152.00	6,741.00	7,567.22	.177 112.26
Valued above 70 cents per pound (square yards), 11 cts. per sq. yd. and 55 per cent. .		18,124,900.22	4,109,310.49	4,253,859.77	16,539,057.93	3,816,326.70	3,918,276.24	.231 102.67
Weighting over 4 ounces per square yard —								
Valued not more than 40 cents per pound (pounds)	33 cents per pound and 50 per cent. .	1.25	2.00	1.41				
Valued more than 40 and not more than 70 cents per pound (pounds)	44 cents per pound and 50 per cent. .	252,543.00	162,760.00	192,498.92	126,915.00	80,591.00	96,138.10	.685 119.17
Valued more than 70 cents per pound (pounds), 44 c. p. lb. & 55 p.c.		2,381,026.97	2,297,821.93	2,311,453.93	1,940,343.25	1,935,834.00	1,918,415.73	.998 99.10
Total dress goods			9,526,572.87	9,723,674.92		9,135,687.86	9,232,854.11	. . . 101.06
Felts not woven (pounds)	44 c. p. lb. & 60 p.c.	91,117.75	111,405.73	106,935.26	41,166.75	51,876.26	49,239.13	1.26 94.92
Flannels for underwear —								
Valued not more than 40 cts. per pound (pounds)	22 c. p. lb. & 30 p.c.	124.00	24.00	34.48	30.14	10.00	9.63	.382 96.30
Valued more than 40 and not more than 50 cents per pound (pounds)	33 c. p. lb. & 35 p.c.	257.00	128.00	129.61	84.00	36.00	40.32	.429 112.00
Valued more than 50 and not more than 70 cents per pound (square yards)	11 c. p. sq. yd. and 50 per cent. . . .	560.00	111.00	117.10				. . . . .

Valued above 70 cents per pound (square yards)	11 c. p. sq. yd. and 55 per cent. . . .	6,039.13	5,217.29	9,322.00	3,039.00	2,696.87	.326	88.74
Weighing over 4 ounces per square yard —								
Valued more than 50 and not more than 70 cents per pound (pounds)	44 c. p. lb. and 50 per cent. . . .	17,234.25						
Valued more than 70 cents per pound (pounds),	44 c. p. lb. and 55 per cent. . . .	7,506.00	5,480.64	8,917.00	5,808.00	6,827.48	.651	117.55
Total flannels		58,475.00	53,165.50	75,996.90	62,701.00	67,924.19	.825	108.32
Knit fabrics (not wearing apparel) —		84,156.25	64,147.62	94,350.04	71,594.00	77,498.49	.759	108.24
Valued not more than 40 cents per pound (pounds)	33 c. p. lb. and 50 per cent. . . .							
Valued more than 40 and not more than 70 cents per pound (pounds)	44 c. p. lb. and 50 per cent. . . .	2.75	1.00	1.41				
Valued above 70 cents per pound (pounds) . .	44 c. p. lb. and 55 per cent. . . .	846.00	539.00	641.74	24.00	32.68	.511	136.17
Total knit fabrics (not wearing apparel), (pounds)		8,939.00	9,676.50	9,255.23	8,884.00	7,470.71	1.51	84.09
Plushes and other pile fabrics —		9,787.75	10,216.50	9,898.38	8,908.00	7,503.39	1.50	84.23
Valued not over 40 cents per pound (pounds) .	33 c. p. lb. and 50 per cent. . . .							
Valued more than 40 and not more than 70 cents per pound (pounds)	44 c. p. lb. and 50 per cent. . . .	89.00	32.00	45.37	1,306.00	662.48	.355	143.08
Valued more than 70 cents per pound (pounds)	44 c. p. lb. and 55 per cent. . . .	2,103.00	1,431.00	1,642.32	725.00	898.16	.60	123.37
Total plushes, etc. (pounds)		16,574.00	18,082.50	17,237.94	59,564.20	54,811.07	1.19	92.02
Wearing apparel: Clothing, ready-made, and articles of wearing apparel, made up or manufactured wholly or in part, not specially provided for —		18,766.00	19,548.50	18,925.63	60,755.20	56,371.71	1.15	92.78
Cloaks, dolmans, etc., for ladies' and children's apparel, and articles used for like purposes, (pounds)	44 cents per pound and 60 per cent. . .							
Hats of wool (pounds)	44 cents per pound and 60 per cent. . .	65,491.27	141,740.60	113,860.52	44,591.61	30,002.19	6.94	67.28
Knitted articles (pounds)	44 cents per pound and 60 per cent. . .	9,616.80	15,900.00	13,771.32	51,363.90	45,158.91	1.51	87.92
Total		451,378.75	617,267.88	568,967.47	393,395.34	361,959.92	1.37	92.01

Imports of Wool and Manufactures of Wool, entered for Consumption, Years ending June 30, 1907 and 1908. Quantities, Values, Rates of Duty, and Accruing Duties. — Continued.

ARTICLES.	Rates of duty.	1907.				1908.				Average.
		Quantities.	Values.	Duties.	Quantities.	Values.	Duties.	Quantities.	Value per unit of quantity.	
			Dollars.	Dollars.		Dollars.	Dollars.		Dollars.	Pr. ct.
Wool, hair of the camel, etc. — <i>Continued.</i>										
Manufactures composed wholly or in part of wool, worsted, etc. — <i>Continued.</i>										
Wearing apparel, etc. — <i>Continued.</i>										
Knitted articles from Philippine Islands (pounds)	75 per cent. of 44 cents per pound and 60 per cent.	.36	1.00	.57						
	44 cents per pound and 60 per cent.	.50	1.00	.66						
	less 20 per cent.									
	44 cents per pound and 60 per cent.	47, 223.52	61,283.75	57,812.67	36,498.33	46,807.00	45,343.47	1.33	92.90	
Knitted articles (reciprocity treaty with Cuba)										
Shawls, knitted or woven (pounds)	44 cents per pound and 60 per cent.	383,258.59	1,016,250.38	778,384.02	436,723.83	1,101,924.15	853,313.29	2.52	77.44	
Other clothing, ready-made, and articles of wearing apparel, made up or manufactured, wholly or in part (pounds)										
Other clothing, ready-made, and articles of wearing apparel, made up or manufactured, wholly or in part, from Philippine Islands, (pounds)	75 p. c. of 44 c. per pound and 60 p. c.	11.34	38.00	20.85	5.00	11.00	6.60	2.20	60.00	
Other clothing (reciprocity treaty with Cuba), (pounds)	44 cents per pound and 60 per cent. less 20 per cent.	42.21	81.00	53.75	56.25	98.00	66.85	1.74	65.21	
Total wearing apparel (pounds)		957,923.34	1,852,565.61	1,532,871.83	799,443.70	1,640,191.00	1,335,851.23	2.05	81.45	

Webbings, gorings, suspenders, bandings, beltings, bindings, braids, edgings, fringes, gimps, cords, and other trimmings, etc. (pounds)	50 cents per pound and 60 per cent.	5,218.05	12,622.50	10,122.59	8,826.39	19,206.75	15,937.32	2.17	82.98
Ditto (from Philippine Islands) (pounds)	75 per cent. of 50 cents per pound and 60 per cent.	1.06	4.00	2.20	.....	.....	.....	.....	.....
All other manufactures wholly or in part of wool—									
Valued not more than 40 cents per pound (pounds)	33 cents per pound and 50 per cent.	31,133.00	11,345.00	15,946.39	45,386.48	15,183.00	22,569.05	.335	148.65
Valued more than 40 and not more than 70 cents per pound (pounds)	44 cents per pound and 50 per cent.	37,967.95	21,387.15	27,399.48	35,400.37	21,224.00	26,188.16	.599	123.39
Ditto (from Philippine Islands)	75 per cent. of 44 cents per pound and 50 per cent.	1.50	1.00	.87	.....	.....	.....	.....	.....
Valued more than 70 cents per pound (pounds)	(44 cts. per pound and 55 per cent. Duty remitted (act July 24, 1897)	144,334.58	259,538.77	206,253.65	130,180.74	238,763.54	188,599.51	1.84	78.99
Ditto (from Philippine Islands)	75 per cent. of 44 cents per pound and 55 per cent. . . . .	.....	.....	.....	8.00	15.00	.....	1.88	.....
Ditto (reciprocity treaty with Cuba)	44 cents per pound. and 55 per cent less 20 per cent.	12.12	25.00	15.27	19.75	42.00	25.43	2.13	60.55
Total manufactures of wool	Dutiable . . . . .	.....	22,357,203.91	19,692,025.65	.....	19,102,283.70	17,425,299.99	.....	91.22
Total wool and manufactures of	Dutiable	62,818,797.81	36,554,773.73	45,822,496.68	28,845,245.11	62.95

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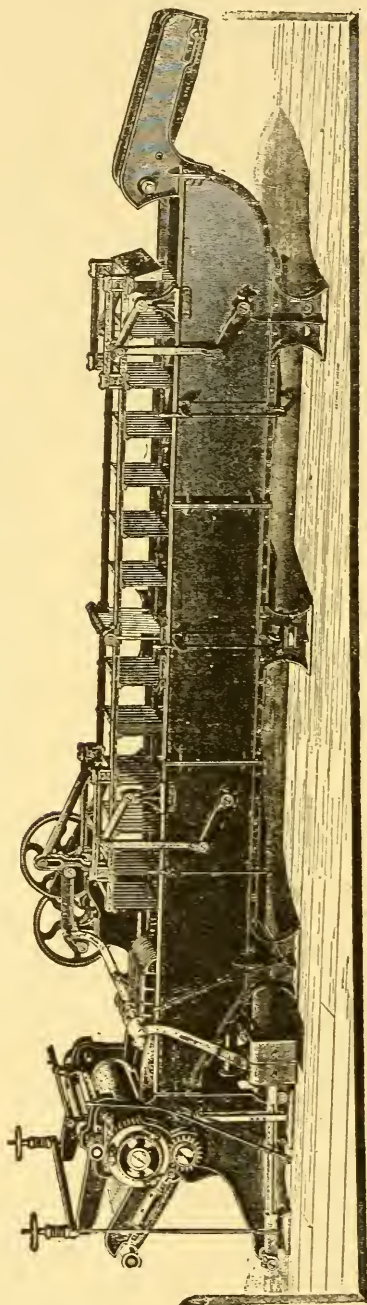
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